

DMCI PROJECT DEVELOPERS, INC.
DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, 1233 Makati City

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Dear Stockholders:

Please be notified that the annual meeting of stockholders of DMCI Project Developers, Inc. (the "Corporation") will be held virtually on June 24, 2022, at 2:30 P.M. with the following agenda:

1. Call to Order
2. Report on Attendance and Quorum
3. Approval of Minutes of Previous Stockholders' Meeting
4. Management Report for the year ended December 31, 2021
5. Ratification of All Acts of the Board of Directors and Officers during the preceding year
6. Appointment of Independent / External Auditor
7. Merger with L&I Development Corporation
8. Petition for Voluntary Revocation of Registration of Securities and Certificate of Permit to Sell Securities
9. Election of Directors including Two Independent Directors
10. Other Matters
11. Adjournment

Copies of the minutes of the May 12, 2021 annual stockholders' meeting will be distributed to stockholders via email.

Stockholders of record as of May 24, 2022 will be entitled to notice of and to vote at the said annual meeting or any adjournment or postponement thereof.

Given the current emergency health crisis, stockholders may only attend by remote communication, by voting *in absentia*, or by appointing the Chairman or the President or the Chief Finance Officer as proxy. Stockholders who intend to attend the said meeting through remote communication should notify the Corporation by sending an email to enhernandez@dmcihomes.com. The Corporation will send the instructions for joining the virtual annual meeting via email to each stockholder who will signify his/her intention to attend the same.

Deadline for submission of proxies is on June 14, 2022 at 2:00 p.m. Validation of proxies shall be held on June 20, 2022, 2:30 p.m. at the principal office of the Corporation, or virtually, as may be necessary or required.

Participation via Remote Communication

The conduct of the annual stockholders' meeting will be streamed live, and stockholders may attend, and participate at the annual meeting by remote communication by following the instructions below:

1. Starting June 3, 2022, stockholders who intend to participate remotely should notify the Corporation by sending an email to enhernandez@dmcihomes.com.

2. An email confirmation and further instructions for the registration and voting will be provided to the stockholders.
3. A link will be sent by email to stockholders who will indicate their intention to participate at the annual meeting through remote communication. The stockholders should access the link provided by the company in order to register their attendance at the annual stockholders' meeting. Once the registration of the stockholders is validated by the company, the company shall send an email to the stockholders which shall contain the link for the June 24, 2022 annual stockholders' meeting. The stockholders may attend the said annual meeting on June 24, 2022 by accessing such link.
4. Stockholders who intend to vote *in absentia* are required to submit their vote by email to enhernandez@dmcihomes.com. Votes should be submitted not later than June 14, 2022.
5. Stockholders who intend to attend and vote by proxy should submit their respective proxies by mail to the principal office of the Corporation (attention: the Corporate Secretary) or by email to enhernandez@dmcihomes.com not later than June 14, 2022. No further changes on the proxies will be accommodated after the deadline.

In compliance with the relevant issuances of the Securities and Exchange Commission in relation to the COVID-19 pandemic, shareholders who wish to join the meeting remotely via teleconference or videoconference may contact the undersigned at the telephone number and/or email address provided below before the scheduled meeting so that proper arrangements can be made.

Makati City, Metro Manila, May 31, 2022.

For the Board of Directors:



MA. PILAR PILARES-GUTIERREZ
Assistant Corporate Secretary
Phone: (632) 8817-6791 to 95
Email: pilar.pilares@cltpsi.com.ph

COVER SHEET

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 SEC Registration Number

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(Company's Full Name)

D	M	C	I		H	O	M	E	S		C	O	R	P	O	R	A	T	E		C	E	N	T	E	R			
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(Business Address: No., Street City / Town / Province)

Evangeline H. Atchioco
 Contact Person

555-7777
 Company Telephone Number

1	2		3	1
Month			Day	
Fiscal Year				

SEC Form 20-IS
Definitive Information Statement
 FORM TYPE

0	6		2	4
Month			Day	
Annual Meeting				

N.A.
 Secondary License Type, If Applicable

Dept Requiring this Doc

N/A
 Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Corporation as specified in its charter: **DMCI Project Developers, Inc.**

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

4. SEC Identification Number: **ASO95-004137**

5. BIR Tax Identification Code: **004-659-091**

6. Address of principal office Postal Code: **DMCI Homes Corporate Center
1321 Apolinario St., Bangkal
1233 Makati City**

7. Corporation's telephone number, including area code: **(632) 8810-77-58**

8. Date, time and place of the meeting of security holders:
**June 24, 2022, Friday
2:30 P.M.
via Remote Communication**

9. Approximate date on which the Information Statement is first to be sent or given to security holders:
June 3, 2022

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor: **N/A**

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

Deferred coupon-paying Homesaver Bonds with an aggregate principal amount of up to P1,000,000,000.00.

12. Are any or all of Corporation's Securities Listed with the Philippine Stock Exchange?

Yes ()

No (✓)

PART I
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting

DMCI PROJECT DEVELOPERS, INC. (hereinafter called the “Corporation”) will hold its annual meeting of the stockholders on **June 24, 2022 (Friday)**, at 2:30 P.M. via virtual or remote communication.

The definitive information statement and notice of meeting will be sent to the stockholders of record as of **May 24, 2022 (the “Record Date”)** on or before **June 3, 2022**.

The matters to be considered and acted upon at such meeting are referred to in the Notice and are more fully discussed in this statement.

The complete mailing address of the Corporation is:

DMCI Homes Corporate Center
1321 Apolinario Street, Bangkal
1233 Makati City

In view of the current COVID-19 global pandemic, stockholders may only attend by remote communication, by voting in absentia, or by appointing the Chairman of the meeting as proxy. Stockholders who intend to attend the said meeting by remote communication should notify the Corporation by sending an email to enhernandez@dmcihomes.com.

Participation via Remote Communication

The conduct of the annual stockholders’ meeting will be streamed live, and stockholders may attend, and participate at the annual meeting by remote communication by following the instructions below:

1. Starting **June 3, 2022**, stockholders who intend to participate remotely should notify the Corporation by sending an email to enhernandez@dmcihomes.com
2. An email confirmation and further instructions for the registration and voting will be provided to the stockholders.
3. A link will be sent by email to stockholders who will indicate their intention to participate at the annual meeting through remote communication. The stockholders should access the link provided by the company in order to register their attendance at the annual stockholders’ meeting. Once the registration of the stockholders is validated by the company, the company shall send an email to the stockholders which shall contain the link for the **June 24, 2022** annual stockholders’ meeting. The stockholders may attend the said annual meeting on **June 24, 2022** by accessing such link.

4. Stockholders who intend to vote *in absentia* are required to submit their vote by email to enhernandez@dmcihomes.com. The Corporation is a wholly-owned subsidiary of DMCI Holdings, Inc. and has less than 15 stockholders (including directors holding qualifying shares).
5. Stockholders who intend to attend and vote by proxy should submit their respective proxies by mail or by email to enhernandez@dmcihomes.com not later than **June 14, 2022**. No further changes on the proxies will be accommodated after the deadline.

Item 2. Dissenter’s Right of Appraisal

The merger of the Corporation with L&I Development Corporation (LIDC), with the Corporation as surviving corporation is one of the items that will be submitted for stockholders’ approval at the **June 24, 2022** annual meeting. Under Section 80 of the Revised Corporation Code of the Philippines, a dissenting stockholder may exercise his appraisal right in case of merger of the Corporation.

LIDC is currently a wholly-owned subsidiary of DMCI Project Developers, Inc. and the merger is envisioned to achieve an efficient manner for the Corporation to be able to develop the real properties owned by LIDC.

Another agenda item to be submitted for stockholders’ approval during the 2022 annual stockholders’ meeting is the filing of a petition for voluntary revocation of registration of securities and certificate of permit to sell securities. The Corporation previously registered as securities with the Securities and Exchange Commission deferred coupon-paying Homesaver Bonds with an aggregate principal amount of up to P1,000,000,000.00. As of October 21, 2021, all the bonds have matured and as a consequence, the Corporation does not anymore have any outstanding obligations on the said bonds. The foregoing agenda item, however, is not one of the items for which the dissenter’s right of appraisal may be exercised by the stockholders of the Corporation.

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

No director, officer, nominee for director, or associate of any of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon, other than election to office. No director has informed the Corporation in writing of any intention to oppose any action to be taken during the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders thereof

(a) As of April 30, 2022, the Corporation has the following outstanding shares:

Common shares (voting)	3,487,727,331 shares*
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**The outstanding shares of the Corporation are all owned by Philippine nationals. The Corporation has no foreign shareholders as of April 30, 2022. The Corporation is a subsidiary of DMCI Holdings, Inc.*

and has less than 15 stockholders (including the incumbent directors). The entire outstanding capital stock of the Corporation consists of common shares with voting rights.

(b) The Record Date for the Annual Stockholders' Meeting is on **May 24, 2022**. The holders of Common Shares as of the Record Date shall be entitled to vote on the following matters to be submitted for stockholders' approval: (i) approval of the minutes of the previous meeting, (ii) approval of the Management Report for the year ending December 31, 2021; (iii) ratification of all acts of the Board of Directors and officers during the previous year, (iv) appointment of the independent auditor, (v) merger of the Corporation with LIDC, (vi) filing of a petition for voluntary revocation of registration of securities and certificate of permit to sell securities, and (vii) election of directors.

(c) In the election of directors, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of common shares of stock standing in his name as of Record Date. A stockholder entitled to vote may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. Provided, that the total number of votes cast by a stockholder shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the whole number of directors to be elected.

With respect to the other matters to be submitted for stockholders' approval, each outstanding common share shall be entitled to one vote.

(d) Security Ownership of Certain Record and Beneficial Owners

The following table sets forth as of **April 30, 2022**, the record and/or beneficial owners of more than 5% of the outstanding Common Shares of the Corporation which are entitled to vote and the amount of such record and/or beneficial ownership.

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
Common	DMCI Holdings, Inc. 3 rd Floor, Dacon Building	DMCI Holdings, Inc. ¹ 3 rd Floor, Dacon Building	Filipino	2,982,861,747	85.5%

¹ Mr. Isidro A. Consunji or Mr. Herbert M. Consunji shall have the right to vote the shares owned by DMCI Holdings, Inc.

	2281 Pasong Tamo Extension Makati City DMCI Holdings, Inc. is the parent company of the Corporation	2281 Pasong Tamo Extension Makati City DMCI Holdings, Inc. is the parent company of the Corporation			
Common	D.M. Consunji, Inc. 2/F DMCI Plaza 2281 Pasong Tamo Extension, Makati City	DMCI Holdings, Inc. ^{2 3rd} Floor, Dacon Building 2281 Pasong Tamo Extension Makati City DMCI Holdings, Inc. is the parent company of the Corporation	Filipino	504,862,578	14.5%

(e) Security Ownership of Management

The table sets forth as of **April 30, 2022**, the record or beneficial stock ownership of each Director of the Corporation and all Officers and Directors as a group.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Isidro A. Consunji	1,000 Direct	Filipino	<0.01%
Common	Jorge A. Consunji	1,000 Direct	Filipino	<0.01%
Common	Ma. Edwina C. Laperal	1,000 Direct	Filipino	<0.01%
Common	Alfredo R. Austria	1 Direct	Filipino	<0.01%
Common	Adrian Crisanto Calimbas	1 Direct	Filipino	<0.01%
Common	Ma. Cristina C. Gotianun	1 Direct	Filipino	<0.01%
Common	Herbert M. Consunji	1 Direct	Filipino	<0.01%
Common	Honorio O. Reyes-Lao	1 Direct	Filipino	<0.01%
Common	Francisco F. Del Rosario, Jr.	1 Direct	Filipino	<0.01%

² Mr. Isidro A. Consunji or Mr. Herbert M. Consunji shall have the right to vote the shares during the June 14, 2022 annual stockholders' meeting of DMCI Project Developers, Inc.

Common	Noel A. Laman	0	N/A	Filipino	0.0000%
Common	Ma. Pilar P. Gutierrez	0	N/A	Filipino	0.0000%
Aggregate Ownership		3,006			<0.01%

All the above named directors and officers of the Corporation are the record and/or beneficial owners of the shares of stock set forth opposite their respective names.

(f) Voting Trust Holders of 5% or more

The Corporation is not aware of any person holding more than 5% of the shares of Corporation under a voting trust or similar agreement.

(g) Changes in Control

As of January 1, 2022, there has been no change in control of the Corporation. Neither is the Corporation aware of any arrangement which may result in a change in control of it.

Item 5. Directors and Executive Officers

(a) Incumbent Directors and Executive Officers.

The following are the incumbent directors and executive officers of the Corporation:

Name	Position	Age	Citizenship	Term of Office	Period Served as a Director/ Officer
Isidro A. Consunji	Chairman of the Board	73	Filipino	1 year from election. (Art. III Sec. 2 of By-laws)	26 years
Jorge A. Consunji	Director	69	Filipino	1 year from election. (Art. III Sec. 2 of By-laws)	26 years

Ma. Edwina C. Laperal	Director/Treasurer	60	Filipino	1 year from election. (Art. III Sec. 2 of By-laws)	26 years
Ma. Cristina C. Gotianun	Director	67	Filipino	1 year from election. (Art. III Sec. 2 of By-laws)	4 years
Herbert M. Consunji	Director	69	Filipino	1 year from election. (Art. III Sec. 2 of By-laws)	4 years
Honorio O. Reyes-Lao	Director (Independent)	76	Filipino	1 year from election, subject to a maximum cumulative term of 9 years pursuant to SEC Memorandum Circular No. 4-2017	5 years
Francisco F. Del Rosario, Jr.	Director (Independent)	74	Filipino	1 year from election, subject to a maximum cumulative term of 9 years pursuant to SEC Memorandum Circular No. 4-2017	8 years

Alfredo R. Austria	Director/President/ Chief Executive Officer	64	Filipino	1 year from election (Art. III Sec. 2 of By-laws)	17 years
Adrian Crisanto Calimbas	Director/SVP Design and Engineering, Construction and Post Construction	54	Filipino	1 year from election. (Art. III Sec. 2 of By-laws)	Less than 1 year
Enrico C. Wong	Senior Vice President for DMCI Property Management, Alta Vista de Boracay, Leasing and General Services	64	Filipino	1 year or at the pleasure of the Board of Directors. (Art. IV Sec. 1 of By-laws)	4 years
Evangeline H. Atchioco	Chief Finance Officer/ VP/Chief Compliance Officer	47	Filipino	1 year or at the pleasure of the Board of Directors. (Art. IV Sec. 1 of By-laws)	5 years
Florence Loreto	Vice President for Business Development	42	Filipino	1 year or at the pleasure of the Board of Directors. (Art. IV Sec. 1 of By-laws)	
Ma. Severina M. Soriano	Vice President for Architectural Design	60	Filipino	1 year or at the pleasure of the Board of Directors. (Art. IV Sec. 1 of By-laws)	

Roel A. Pacio	Vice President for Legal and Permits	55	Filipino	1 year or at the pleasure of the Board of Directors. (Art. IV Sec. 1 of By-laws)	
Teresa Tiongson	Vice President for Human Resources	56	Filipino	1 year or at the pleasure of the Board of Directors. (Art. IV Sec. 1 of By-laws)	
Dennis O. Yap	Vice President for Project Development and OIC for Sales	42	Filipino	1 year or at the pleasure of the Board of Directors. (Art. IV Sec. 1 of By-laws)	
Januel Mikel Venturanza	Vice President for Corporate Planning, Marketing, Customer Care and IT	40	Filipino	1 year or at the pleasure of the Board of Directors. (Art. IV Sec. 1 of By-laws)	
Arturo C. Zamora	Vice President for Procurement and Asset Management	54	Filipino		
Noel A. Laman	Corporate Secretary	82	Filipino	1 year or at the pleasure of the Board of Directors. (Art. IV Sec. 1 of By-laws)	12 years

Ma. Pilar P. Gutierrez	Asst. Corporate Secretary	45	Filipino	1 year or at the pleasure of the Board of Directors. (Art. IV Sec. 1 of By-laws)	17 years
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All the incumbent directors of the Corporation have been nominated to the Board of Directors for the ensuing year and they have all accepted their respective nomination.

The following are the Corporate Governance Committees pursuant to the Corporation's Manual on Corporate Governance.

Audit , Related Party Transaction and Risk Oversight Committee	
Chairman:	FRANCISCO F. DEL ROSARIO, JR.
Members:	1. HONORIO REYES-LAO
	2. HERBERT M. CONSUNJI

Corporate Governance, Nomination and Compensation Committee	
Chairman:	HONORIO REYES-LAO
Members:	1. FRANCISCO F. DEL ROSARIO, JR.
	2. MA. EDWINA C. LAPERAL

Lead Independent Director : Mr. HONORIO REYES LAO

(b) Term of office.

The term of office of the directors and executive officers is one (1) year from their election as such until their successors are duly elected and qualified.

(c) Business experience of the Directors and Officers during the past five (5) years.

The business experience of each of the Company's directors covering the past five years are described below.

Isidro A. Consunji, 73, Filipino, is the Chairman of the Board of Directors of the Company. He has been a director of the Company for twenty five (25) years. He is a graduate of B.S. Civil Engineering at the University of the Philippines. He obtained his Masters degree in Business Economics from the Center for Research and Communication and Masters in Business Management from the Asian Institute of Management, and attended the Advanced Management Program at Instituto de Estudios Superiores de la Empresa (IESE) in Barcelona, Spain. For the past five years, he has been the President of DMCI-HI, Dacon Corporation, and Asia Industries Inc. He is also the Chairman of the Board of Directors of DMCI Mining Corp., D.M. Consunji, Inc., DMCI Homes, and Beta Electric Corp. He is the Vice Chairman of Maynilad Water Services Inc., and director of Semirara Mining and Power Corporation, DMCI/MPIC Water Company Inc., Crown Equities, Inc., Atlas Consolidated Mining and Dev Corp., Carmen Copper Corp., Sem-Calaca Power Corp., Berong Nickel Corp., Toledo Mining Corp., ENK PLC (London). He was the former President

of the Philippine Constructors Association and Philippine Chamber of Coal Mines, Inc. At present, he is the Chairman of the Board of the Philippine Overseas Construction Board and a board member of Construction Industry Authority of the Philippines.

Alfredo R. Austria, 64, Filipino, is the President and Chief Operating Officer of the Company. He has been a director of the Company for sixteen (16) years. He is a graduate of B.S. Civil Engineering, Cum Laude, at the University of the Philippines. He is a licensed Civil Engineer and placed 2nd at the Philippine Civil Engineering Board Exam. He also obtained his Master in Business Administration from the University of the Philippines. He has held various positions in different construction companies domestically and internationally. He is a member of the Philippine Institute of Civil Engineers - Manila Chapter.

Ma. Edwina C. Laperal, 60, Filipino, is a Director, Senior Vice-President and Treasurer of the Company. She has been a director of the Company for twenty five (25) years. She graduated with a degree in B.S. Architecture and obtained her Masters Degree in Business Administration from the University of the Philippines and an Executive Certificate for Strategic Business Economics Program from the University of Asia & the Pacific (formerly the Center for Research and Communication). She is a licensed architect in the Philippines. She is concurrently the Director and Treasurer of DMCI Holdings, Inc., D.M. Consunji Inc. and Dacon Corporation and a Director in Semirara Mining and Power Corporation, DMC Urban Property Developers, Inc., and Sem-Calaca Power Corporation.

Jorge A. Consunji, 69, Filipino. He has been a director of the Company for twenty five (25) years. He is a graduate of B.S. Industrial Management Engineering at the De La Salle University. He obtained his Masters in Business Economics from University of Asia and the Pacific. He is the President and COO of D.M. Consunji Inc. He is also the Chairman of DMCI Masbate Power Corporation and Wire Rope Corp. of the Philippines, Director of DMCI-HI, Dacon Corporation, SEM-Calaca Power Corporation, DMCI Mining Corporation, DMCI Power Corporation, DMCI Concepcion Power Corporation, Semirara Mining and Power Corporation, Maynilad Water Services Inc., Manila Herbal Corporation, and Beta Electric Corp. He was the former Chairman of ASEAN Constructors Federation and former President of Phil. Constructors Association and ACEL. He is currently a Director of Private Infrastructure Development Corp.

Herbert M. Consunji, 69, Filipino, is a Director of the Company for two years. He has served as regular director of DMCI Holdings, Inc. for twenty four (24) years since March 1995. He is also a regular Director of the following: *(Listed)* Semirara Mining and Power Corporation; *(Non-listed)* D.M. Consunji, Inc., Subic Water and Sewerage Company, Inc., DMCI Mining Corp., Sem-Calaca Res Corporation, DMCI Power Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem-Cal Industrial Park Developers, Inc. *Education.* Top Management Program, Asian Institute of Management; Bachelor of Science in Commerce, Major in Accounting (De La Salle University), Certified Public Accountant (CPA). *Civic Affiliations.* Philippine Institute of Certified Public Accountants, *Member.*

Ma. Cristina C. Gotianun, 67, Filipino, is a Director of the Company since June, 2017. She is currently the President of Semirara Mining and Power Corporation. She has also been the Assistant Treasurer of DMCI Holdings, Inc. for twenty four (24) years. She holds directorships in the following companies: **(Listed)** Semirara Mining and Power Corporation; **(Non-listed)** Dacon Corporation, D.M. Consunji, Inc., DMCI Power Corporation, Sem-Calaca Power Corporation., Southwest Luzon Power Generation Corp., Sem-Cal Industrial Park Development Corporation, St. Rapahael Power Generation Corp., Semirara-Energy Utilities, Inc., Semirara Claystone, Inc., and Sem-Calaca Res Corp. She is a graduate of Bachelor of Science Major in Business Economics at the University of the Philippines. She acquired special studies in Top Management Program at Asian Institute of Management (AIM). She finished Strategic Business Economic Program at University of Asia and Pacific. She is a Fellow of the Institute of Corporate Directors.

Adrian Crisanto M. Calimbas, 54, Filipino, is Director of the Company since August 5, 2021. He is also the Senior Vice President for Design and Engineering, Construction and Post Construction since December 2019. He joined the company in 2001 and held various positions from Project In Charge to Vice President for Design and Engineering. Prior to this, he was a Civil Engineer at DM Consunji Inc for twelve years. He is a graduate of Bachelor of Science in Civil Engineering from University of Sto. Tomas. He is also a member of the Philippine Institute of Civil Engineers.

Honorio O. Reyes-Lao, 76 years old, Filipino, has been an Independent Director of the Company for almost five (5) years. He is currently an independent director of DMCI Holdings, Inc., an independent director of Semirara Mining and Power Corporation, and is also a director of Philippine Business Bank **(Listed)**; He is also an independent director of Sem-Calaca Power Corporation and South West Luzon Power Generation Corporation **(Non-Listed)**. **Non-Listed (Past Positions)** Gold Venture Lease and Management Services Inc. (2008-2009), First Sovereign Asset Management Corporation (2004-2006, CBC Forex Corporation (1998-2002), CBC Insurance Brokers, Inc. (1998-2004), CBC Properties and Computers Center, Inc. (1993-2006). He obtained his Bachelor of Arts degree, Major in Economics and his Bachelor of Science in Commerce, Major in Accounting from De La Salle University. He obtained his Masters Degree in Business Management from the Asian Institute of Management. His current civic affiliations include the Institute of Corporate Directors, *Fellow*, Rotary Club of Makati West, *Member/Treasurer*, Makati Chamber of Commerce and Industries, *Past President*.

Francisco F. Del Rosario, Jr., 73, Filipino, has been an Independent Director of the Company for eight (8) years. He is also an Independent Director of Metrobank and Philab Industries, Inc., a Director of Mapfre Insular Insurance Corp. and Omnipay Inc., a Cabinet Member of Habitat for Humanity Philippines, and a Trustee of ABS-CBN Foundation Inc. Mr. del Rosario is a graduate of B.S. Commerce major in Accounting and Bachelor of Arts Major in Economics from De La Salle College. He also obtained his Master in Business Management from the Asian Institute of Management. He is also a candidate for Doctoral Program in Business Administration from De La Salle University Professional Schools, Inc.

Enrico C. Wong, 64, Filipino, has been the Senior Vice President for DMCI Property Management, Alta Vista de Boracay, Purchasing, Leasing and General Services of the Company for over four (4) years. He is also the Managing Director and part owner of Nuvali Steel Processing Center Inc, member of the Board of Trustee of Made in Hope Philippines (NGO helping rescued women and children) and a Lecturer / Associate Professor in Ateneo Graduate School of Business for MBA-Regis University USA program. Before joining the Company in 2015, he has held various positions in San Miguel Group of Companies such as Vice President, General Manager and Board of Director of San Miguel Packaging Specialist, Inc., Vice President and Business Manager for PET Packaging and Beverage Business Cluster, San Miguel Yamamura Packaging Corp and San Miguel Corp., and Assistant Vice President and Sales Account Director

for Coca Cola (Domestic and International). He is a graduate of B.S. Electrical Engineering from University of the Philippines and obtained his Masters in Business Administration from Ateneo Graduate School of Business. He is also a business consultant and trainer for Strategic Planning and Management, Quality Management, Operations Management, Culture Development , Motivation and Values Formation. He is a Certified Master Project Manager, and a Professional Executive Coach and a member of International Coach Federation, USA.

Evangeline H. Atchioco, 47, Filipino, has been the Chief Compliance Officer of the Company for five (5) years or since February 12, 2016. She was also appointed as Chief Finance Officer on September 1, 2019. She joined the company in 1997 as Finance Officer and held the position of Vice President for Finance in 2008 to 2019. She was a Senior Auditor in SyCip Gorres Velayo & Co. from 1994 to 1996. She graduated Magna Cum Laude with a degree of Bachelor of Science in Accountancy from the University of the East and obtained a Certificate in Business Economics from the University of Asia and the Pacific. She is a Certified Public Accountant.

Noel A. Laman is 82 years old, Filipino, has been the Corporate Secretary of the Company for eleven (11) years. For the past six (6) years, he has held the following positions: **(Listed)** Corporate Secretary of DMCI Holdings, Inc. and National Reinsurance Corporation of the Philippines; **(Non-listed)** Castillo Laman Tan Pantaleon & San Jose Law Offices, Founder/Senior Partner; DCL Group of Companies, Treasurer; Boehringer Ingelheim (Phils.), Inc., Non-executive Director; Merck, Inc, Non-executive Director. He obtained his Bachelor of Science, Jurisprudence and Bachelor of Laws from the University of the Philippines and Master of Laws from University of Michigan Law School. He is a member of the Integrated Bar of the Philippines and was its *Past Secretary, Treasurer, Vice President, for the Makati Chapter; Rotary Club Makati West, Past President; Intellectual Property Association of the Philippines (IPAP), Past President; Asian Patent Attorneys Association (APAA), Past Council Member; Firm Representative to the German Philippine Chamber of Commerce, Inc., Member.*

Ma. Pilar Pilares- Gutierrez is 45 years old, Filipino. She has served the Corporation as Assistant Corporate Secretary for almost seventeen (17) years since May, 2005. For the past six (6) years, she has held the following positions: **(Listed)** Assistant Corporate Secretary of DMCI Holdings, Inc. and National Reinsurance Corporation of the Philippines; **(Non-listed)** Castillo Laman Tan Pantaleon & San Jose Law Firm, Senior Partner; Corporate Secretary of the following companies: Pricon Microelectronics, Inc., Test Solution Services, Inc., DCL Management Ventures, Inc. Manpower Resources of Asia, Inc., Sealanes Marine Services, Inc., CBRE Corporate Outsourcing, Inc, CBRE GWS IFM Phils. Corp, CBRE Business Support Services Philippines, Inc., Software AG Philippines, Inc., Oncho Philippines, Inc., Mercury Battery Industries, Inc., Philippine Advanced Processing Technology, Inc., Rentokil Initial Philippines, Inc., Jacobs Projects Philippines, Inc., Successfactors Philippines, Inc.; She is also the Assistant Corporate Secretary of the following companies: D.M. Consunji, Inc., Dacon Insurance Brokers, Inc., Wire Rope Corporation of the Philippines, Honeywell CEASA (Subic Bay) Company, Inc., IQVIA Solutions Philippines, Inc., IQVIA Solutions Operations Center Philippines, Inc., SingTel Philippines, Inc., and JTEKT Philippines Corporation. She is currently a Senior Lecturer at the University of the Philippines, College of Law. She obtained her Bachelor of Laws from the University of the Philippines (Diliman) in 2001 (Dean's Medal for Academic Excellence) and her Bachelor of Science in Management, Major in Legal Management (B.S.L.M.) from the Ateneo de Manila University in 1997.

Florence L. Loreto, 42, Filipino, was appointed as Vice President for Business Development in January 2020. She joined the company in 2013 as Project Development Manager. Prior to this, she was with Ayala

Land, Inc.'s Operations Group, Finance Division and AyalaLand Hotels and Resorts Corp., consecutively. She is a graduate of Bachelor of Science in Civil Engineering from the Mapua Institute of Technology.

Ma. Severina M. Soriano, 60, Filipino, is the Vice President for Architectural and Interior Design of the Company since 2011. She joined the company in 2006 as Head of Design. From 1988 to 2006, she held various positions in D.M.Consunji, Inc. from Cadet Architect to Design Manager. She was also an Interior Designer at AB Soriano & Associates from 1980 to 1986. She is a graduate of Bachelor of Science in Architecture from University of Sto Tomas and a member of United Architects of the Philippines (UAP) CBD Chapter.

Roel A. Pacio, 54, Filipino, is the Vice President for Legal and Permits of the Company since 2013. He joined the company in 2000 as Legal Officer. He was also the Deputy Director for Legal, Permits and Administration and Assistant Vice President for Legal and Permits prior to his current appointment. He earned his Juris Doctor degree from Ateneo de Manila University College of Law, with Silver Medal for Second Honors. He is also a Certified Public Accountant and is a graduate of Bachelor of Science in Commerce Major in Accounting from St. Louis University. He is a member of Integrated Bar of the Philippines and Philippine Institute of Certified Public Accountants.

Teresa P. Tiongson, 55, Filipino, was appointed as Vice President for Human Resources on September 1, 2019. She joined the company in 2007 as Senior Manager for Human Resources and held the position of Assistant Vice President for Human Resource from year 2015 to 2019. Before joining the Company, she was the Vice President for Human Resource of Centennial Savings Bank. She is a graduate of Bachelor of Science in Psychology (*with Academic Distinction*) from St. Paul College. She is also a member of Personnel Management Association and Philippine Society Training and Development.

Dennis O. Yap, 42, Taiwanese, was appointed as Vice President for Project Development on September 1, 2019 and OIC for Sales Division in 2021. He is also the Head of Concepts and Landscape Management and Corporate Accounts Management. He joined the company in 2010 as Project Development Manager. Prior to this, he was with Federal Land Inc. from 2003 to 2010 as Assistant Manager for Product Planning Department. He is a graduate of Bachelor of Science in Business Administration Major in Marketing from Philippine School of Business Administration.

Jan Mikel O. Venturanza, 40, Filipino, was appointed as Vice President for Corporate Planning, Marketing, Customer Care and Information Technology on September 1, 2019. He joined the company in 2011 as Marketing Manager. He earned his Bachelor's Degree in Electronics and Communications Engineering from Ateneo de Manila University and his Masters in Business Administration from University of the Philippines.

Arturo C. Zamora, 54, Filipino, was appointed as Vice President for Procurement and Asset Management on April 1, 2021. He joined the company in 2020 as Head of Purchasing. He is also a lecturer/associate professor of Operations and Supply Chain Management of the MBA programs of the Ateneo Graduate School of Business (AGSB). He has more than 30 years' experience and held various managerial and executive positions in various industries such as electronics manufacturing (Ionics, Zyrel), home appliance and medical equipment distribution, food production and franchising (Julies Franchising Corp, GM), healthcare (hospital operations), construction (ASEC, VP), logistics (APL Logistics Philippines, GM), real estate development, memorial park development, and mining services. His most recent engagement before DMCI Homes was as COO of Canedo Equity Ventures, Inc. in Cebu. He earned his

Bachelor's Degree in Electronics and Communications Engineering from the Mapua Institute of Technology, and his MBA degree from AGSB.

(d) Independent Directors.

Mr. Honorio O. Reyes-Lao and Mr. Francisco F. Del Rosario, Jr. are currently the Corporation's independent directors.

Under its Manual of Corporate Governance and Amended Articles of Incorporation, the Corporation is required to have at least two (2) Independent Directors or such number of Independent Directors as shall constitute at least twenty (20%) percent of the members of the Board of Director of the Corporation. Attached hereto as Schedule 1 is the Final List of Candidates for Independent Directors. The candidates for independent directors were nominated as such by Mr. Elmer Civil, who has no family and/or business relationships or affiliations with the two (2) nominees. The two (2) nominees for Independent Directors were selected by the Board Nomination and Election Committee in accordance with the guidelines in the Manual of Corporate Governance, the Code of Corporate Governance for Public Companies, and the Guidelines on the nomination and election of Independent Directors (SRC Rule 38). The nominees for independent directors are likewise compliant with the term limits provided under SEC Memorandum Circular No. 4, series of 2017, and all the applicable issuances of the Securities and Exchange Commission.

On April 19, 2011, the Securities and Exchange Commission (SEC) approved the amendment of the Corporation's By-Laws in order to provide for the creation of the Audit Committee, Nomination and Election Committee and Compensation and Remuneration Committee. In view of the recent passage of the Revised Corporation Code (Republic Act No. 11232), the Corporation will review the need for any additional amendment of its by-laws to comply with the new law, including the related issuances of the SEC. Upon approval of the proposed amendments by the Board of Directors, the same will be submitted for stockholders' ratification and approval at the succeeding annual stockholders' meeting of the Corporation, as may be required or necessary.

(e) Other directorships held in reporting companies naming each company.

Director's Name	Company
Isidro A. Consunji	DMCI Holdings, Inc. (Listed) Semirara Mining and Power Corp. (Listed) Atlas Consolidated Mining and Development Corp. Crown Equities Inc. D. M. Consunji, Inc. DMCI Project Developers, Inc. DMCI Mining Corp. DMCI Power Corp. DMCI Masbate Corp. DMCI-MPIC Water Company Inc. Maynilad Water Services, Inc. Sem-Calaca Power Corp. Southwest Luzon Power Generation Corp.

	<p>Sem-Calaca Res Corp. Sem-Cal Industrial Park Developers, Inc. Dacon Corp. DFC Holdings, Inc. Beta Electric Corp. DMCI-PDI Hotel, Inc. DMCI Homes Property Management Corporation Riviera Land Corporation DMCI Homes, Inc. Hampstead Gardens Corporation RLC- DMCI Property Ventures, Inc. L& I Development Corporation DMC Estate Development Ventures, Inc.</p>
Ma. Edwina C. Laperal	<p>DMCI Holdings, Inc. (Listed) Semirara Mining and Power Corp. (Listed) D.M. Consunji, Inc. DMCI Project Developers, Inc. Dacon Corporation DMCI Urban Property Developers, Inc Sem-Calaca Power Corp. Dacon Corp. DFC Holdings, Inc. DMCI-PDI Hotel, Inc. DMCI Homes Property Management Corporation Riviera Land Corporation DMCI Homes, Inc. Hampstead Gardens Corporation RLC- DMCI Property Ventures, Inc. L& I Development Corporation DMC Estate Development Ventures, Inc.</p>
Jorge A. Consunji	<p>DMCI Holdings, Inc. (Listed) Semirara Mining and Power Corp. (Listed) D.M. Consunji Inc. DMCI Project Developers, Inc. DMCI Mining Corp. DMCI Power Corp. DMCI Masbate Corp. Sem-Calaca Power Corp. Southwest Luzon Power Generation Corp. DMCI-MPIC Water Company Inc. Maynilad Water Services, Inc. Dacon Corp. DFC Holdings, Inc. Beta Electric Corporation Wire Rope Corporation Private Infra Dev Corp. DMCI Homes, Inc.</p>

Ma. Cristina C. Gotianun	DMCI Holdings, Inc. (Listed) Semirara Mining and Power Corporation (Listed) D.M. Consunji, Inc. Wire Rope Corporation of the Philippines Dacon Corporation DMCI Power Corporation Sem-Calaca Power Corp. Southwest Luzon Power Generation Corp. Sirawan Food Corporation Sem-Cal Industrial Park Development Corp. St. Raphael Power Generation Corp. Semirara-Energy Utilities, Inc. Semirara Claystone, Inc. Sem Calaca Res Corp
Herbert M. Consunji	Semirara Mining and Power Corporation (Listed) DMCI Holdings, Inc. (Listed) D.M. Consunji, Inc. Subic Water and Sewerage Company, Inc. DMCI Mining Corp. DMCI Power Corp. Sem-Calaca Res Corporation Sem-Calaca Power Corp. Sem-Cal Industrial Park Developers, Inc. Southwest Luzon Power Generation Corp.
Alfredo R. Austria	DMCI-PDI Hotel, Inc. DMCI Homes Property Management Corporation Riviera Land Corporation DMCI Homes, Inc. Zenith Mobility Solution Services, Inc. Hampstead Gardens Corporation RLC- DMCI Property Ventures, Inc. L& I Development Corporation DMC Estate Development Ventures, Inc.
Francisco F. Del Rosario, Jr.	Independent Director of Metrobank Independent Director of Philab Industries, Inc. Director of Mapfre Insular Insurance Corp. Director of Ompipay Inc. Trustee of ABS-CBN Foundation Inc.
Honorio Reyes-Lao	DMCI Holdings, Inc. (Listed) (Independent Director) Semirara Mining and Power Corporation (Listed) (Independent Director) Philippine Business Bank (Listed) Southwest Luzon Power Generation Corp. (Independent Director) Sem-Calaca Power Corp. (Independent Director)

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(f) Family Relationship

The family relationship up to the fourth civil degree either by consanguinity or affinity among directors, executive officers or persons nominated or chosen by the Corporation to become directors or executive officers is stated below:

Isidro A. Consunji, Jorge A. Consunji, Ma. Edwina C. Laperal, and Ma. Cristina C. Gotianun are siblings. Mr. Herbert M. Consunji is their cousin.

Except as disclosed above, there are no other family relationships known to the Corporation.

(g) Since the last annual stockholders' meeting of the Corporation, no Director has resigned or declined to stand for re-election to the Board of Directors of the Corporation because of any disagreement with the Corporation on any matter relating to the Corporation's operations, policies or practices.

(h) Involvement in Legal Proceedings

None of the directors and officers was involved in the past five (5) years in any bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding, nor been subject to any order, judgment or decree of competent jurisdiction, permanently enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in an action by any court or administrative body to have violated a securities or commodities law.

The Corporation is a party to the following material legal proceedings:

DMCI-PDI vs. BCDA and Northrail

S.P. Proc. No. M-6157 / S.P. Proc. No. 125

Ad Hoc Arbitral Tribunal

Regional Trial Court of Makati City, Branch 233

Regional Trial Court of Taguig City, Branch 266

Court of Appeals, Fourteenth Division, CA-G.R. SP No. 169497

This is an arbitration case filed by the DMCI-PDI against the Bases Conversion Development Authority ("BCDA") and North Luzon Railways Corporation ("Northrail") to recover DMCI's capital infusion to BCDA amounting to P300,000,000.00. As a brief background, BCDA entered into a Joint Venture Agreement ("JVA") with the Philippine National Railways and certain Spanish corporations (collectively referred to as the "Foreign Group") on June 10, 1995 for the establishment of a mass transit and access system, particularly the establishment of a double-tract railway system between the International Airport in Clark Air Base and the surrounding areas including Metro Manila (the "Project"). Pursuant to the JVA, BCDA established Northrail for the purpose of constructing, operating, and managing the railroad system to serve Northern and Central Luzon.

In order to assist in the financing and implementation of the Project and to accelerate the privatization of Northrail, BCDA invited DMCI as a private investor. As a result, the parties amended the initial JVA on February 6, 1996 (“Amended JVA”) to include DMCI as a party to the agreement. In the Amended JVA, DMCI, under several conditions, agreed to infuse P200,000,000.00 (which later on increased to P300,000,000.00 as requested by Northrail) as part of the initial seed capital of Northrail. It was further agreed that the amount that DMCI contributed will be converted into equity when Northrail is privatized, in which Northrail will have to apply for the increase in its authorized capital stock. DMCI proceeded to deposit the P300,000,000.00 capital infusion in the Landbank account of Northrail.

However, the conditions agreed upon by the parties did not materialize. Northrail was not privatized and it subsequently withdrew its application to increase its authorized capital stock with the SEC. Moreover, BCDA used the deposits infused by the private investors to pay Northrail’s loan to Landbank. DMCI-PDI, as the nominee of DMCI, made repeated demands from BCDA and Northrail, beginning on September 27, 2000, to return the P300,000,000.00 it had paid as deposit for future subscription of the increase in capital stock of Northrail.

On August 15, 2005, DMCI-PDI served a Demand for Arbitration on BCDA and Northrail and, subsequently, filed a Petition to Compel Arbitration with the Regional Trial Court of Makati. BCDA and Northrail initially questioned the legal standing of DMCI-PDI to request for the return of the amount, given that DMCI-PDI was allegedly not a party to the amended JVA. The parties filed their respective motions and pleadings until the case reached the Supreme Court. On January 11, 2016, the Supreme Court upheld the legal standing of DMCI-PDI, as DMCI’s nominee, to claim the deposit from BCDA and Northrail and directed the parties to submit the case to arbitration.

In March 2019 to September 2019, discussions ensued between the parties and the constituted Arbitral Tribunal regarding the procedural orders and details, the terms of engagement, and the timetable. On November 13 and 14, 2019, the arbitration hearings were held. Finally, on February 21, 2020, the Arbitral Tribunal issued its Final Award and rendered judgment granting DMCI PDI’s claim for the return of its P300,000,000.00 deposit for future subscriptions with legal interest and ordering respondents BCDA and Northrail solidarily liable to pay the adjudged amounts to DMCI PDI.

Under Rule 11 of the Special Rules of Court on Alternative Dispute Resolution (“Special ADR Rules”), a claimant may petition the court to confirm a domestic arbitral award (a) at any time after the lapse of 30 days from its receipt of the arbitral award; or (b) at any time after a petition to vacate such arbitral award is filed by respondents, in opposition to the said petition. DMCI PDI received the Final Award on February 24, 2020.

Petition for Confirmation (RTC Makati)

On May 29, 2020, DMCI PDI filed its Petition for Confirmation of Final Award dated May 28, 2020 (“Petition for Confirmation”) with the Regional Trial Court in Makati City to enforce the Arbitral Tribunal’s Amended Final Award. In its Order dated July 6, 2020, the trial court found the Petition for Confirmation of Final Award sufficient in form and in substance.

On August 3, 2020, DMCI PDI received a copy of BCDA and Northrail’s Manifestation *Ad Cautelam* dated July 27, 2020 stating that they filed a Petition to Vacate Arbitral Award dated July 1, 2020 (“Petition

to Vacate”) with the Regional Trial Court in Taguig City (“RTC Taguig”). BCDA and Northrail also questioned the jurisdiction of the Makati court over DMCI PDI’s Petition for Confirmation.

In its Order dated October 5, 2020, Branch 150 of RTC Makati denied DMCI PDI’s Petition for Confirmation and ruled that the resolution of BCDA and Northrail’s Petition to Vacate pending with Branch 266 of RTC Taguig involves a prejudicial issue to the Petition for Confirmation.

On October 15, 2020, DMCI PDI filed an Omnibus Motion for Reconsideration and Consolidation dated October 12, 2020 with Branch 150 of RTC Makati. In response, BCDA and Northrail then filed their Comment *Ad Cautelam* dated October 20, 2020.

On November 23, 2020, DMCI PDI filed a Motion for Inhibition asking the Presiding Judge, Hon. Elmo Alameda, of Branch 150 of RTC Makati to voluntarily inhibit himself from the case and desist from further hearing and deciding SP. Proc. No. M-6157. In its Order dated November 24, 2020, Branch 150 of RTC Makati granted DMCI PDI’s Motion for Inhibition and directed the Branch Clerk of Court to forward the entire record of SP. Proc. No. M-6157 to the Office of the Clerk of Court of Makati City for the re-raffling of the case to another branch of RTC Makati. Thereafter, on January 21, 2021, DMCI PDI filed an Urgent Motion to Transmit Case Record of even date, which the RTC Makati, Branch 150 merely noted in its Order dated January 25, 2021. As a result, DMCI PDI filed a Motion for Reconsideration dated February 9, 2021 asking RTC Makati, Branch 150 to, among others, allow the indexing and encoding only of the case record pertaining to the Petition for Confirmation of Final Award dated May 28, 2020 and Omnibus Motion dated October 12, 2020 and immediately transmit the relevant portions of the case record to the Executive Clerk of Court for re-affle.

Following its receipt of RTC Taguig, Branch 266’s Resolution dated January 23, 2021 (see discussion below), DMCI PDI filed with the RTC Makati, Branch 150 a Supplement to Omnibus Motion dated February 18, 2021 informing the latter of the development and arguing that the dismissal of the Petition to Vacate: (a) affirmed and complemented DMCI PDI’s position that the RTC Makati first acquired and retained jurisdiction over the case; and (b) left DMCI PDI’s Petition for Confirmation of Final Award dated May 28, 2020 virtually unopposed.

The case was subsequently re-raffled to RTC Makati, Branch 233, presided by the Hon. Augusto Jose Y. Arreza. In a Resolution dated August 24, 2021, the trial court granted the Omnibus Motion and accordingly confirmed the Final Award. Aggrieved, petitioners filed an unverified Motion for Reconsideration dated October 21, 2021, to which DMCI PDI filed an Opposition dated November 8, 2021. As the subject Motion for Reconsideration was procedurally defective and a rehash of past arguments, the RTC Makati, Branch 233 denied the same in a Resolution dated December 3, 2021.

Thereafter, BCDA and Northrail filed with the Court of Appeals a Petition for *Certiorari* (With Prayer for Exemption from Payment of Docket and Other Legal Fees) dated December 20, 2021 assailing the RTC Makati, Branch 233’s Resolutions dated August 24, 2021 and December 3, 2021. To date, the Court of Appeals has not given due course to the Petition.

Meanwhile, on January 27, 2022, DMCI PDI filed a Motion for Execution requesting the RTC Makati, Branch 233 to issue a writ of execution directing the implementation of the Final Award in favor of DMCI PDI.

On February 10, 2022, DMCI PDI received BCDA and Northrail's Comment dated February 4, 2022, praying for the denial of DMCI PDI's Motion for Execution on the ground, among others, that money claims for the satisfaction of a judgment award should first be filed before the Commission on Audit. In response, DMCI PDI filed on February 21, 2022 its Motion for Leave to File Reply dated February 18, 2022, and the Reply dated February 17, 2022.

Petition to Vacate (RTC Taguig)

As discussed above, BCDA and Northrail filed with the RTC Taguig City a Petition to Vacate the Final Award. On September 3, 2020, DMCI PDI filed a Motion to Dismiss dated August 28, 2020 seeking the dismissal of the Petition to Vacate. BCDA and Northrail then filed their Comment, to which DMCI PDI filed its Reply. Thereafter, the Petition to Vacate was docketed as Spec. Proc. Case No. 125 and assigned to Branch 266 of RTC Taguig.

On November 6, 2020, DMCI PDI filed a Motion for Early Resolution requesting the RTC Taguig, Branch 266 to grant DMCI PDI's Motion to Dismiss and dismiss BCDA and Northrail's Petition to Vacate. Thereafter, on February 11, 2021, DMCI PDI received Branch 266 of RTC Taguig's Resolution dated January 23, 2021 granting DMCI PDI's Motion to Dismiss. BCDA and Northrail then moved for reconsideration of this Resolution, in response to which DMCI PDI filed a Comment dated March 8, 2021. In an Omnibus Resolution dated May 17, 2021, the trial court denied BCDA and Northrail's Motion for Reconsideration.

Thereafter, on June 25, 2021, DMCI PDI received a copy of the Petition for Certiorari dated June 19, 2021 filed by BCDA and Northrail before the Court of Appeals, praying to annul and set aside the RTC Taguig, Branch 266's Resolution dated January 23, 2021 and Omnibus Resolution dated May 17, 2021. The Petition was docketed as CA-G.R. SP No. 169497 and raffled to the Court of Appeals, Fourteenth Division, where it pends to date. However, the Court of Appeals has not yet given due course to the Petition.

DMCI-PDI and URPHI vs. PRHC

G.R. No. 202751

Supreme Court, Manila

This is an action filed by Philippine Realty Holdings Corporation ("PRHC") against Universal Rightfield Property Holdings, Inc. ("URPHI"), Universal Leisure Corporation ("ULC") and the Company to (a) recover the balance of P56,207,800.00, plus interest at 3% per month, representing the purchase price of 14 condominium units and two storage units at the 34th Floor, West Tower, Philippine Stock Exchange Center ("Condominium Units"), as well as several parking slots in the same building, which PRHC sold to ULC; and (b) nullify the assignment to ULC of URPHI's and the Company's receivables from PRHC. As a result of a failed joint venture project among PRHC, URPHI and the Company, URPHI and the Company acquired certain receivables from PRHC, which URPHI and the Company assigned to ULC. ULC then sought to set-off these receivables against the unpaid balance of the purchase price for the Condominium Units and parking slots.

In its Decision dated February 19, 2004, the Regional Trial Court ("RTC") rendered judgment in favor of the Company, URPHI and ULC, and against PRHC rescinding the joint venture agreement and its amendment. The RTC thereafter issued an Order dated May 6, 2004 amending its Decision by ordering

PRHC to (a) deliver the subject titles “free from all liens and encumbrances; (or) (o)therwise ... return to ULC the amounts which have been paid including what have been deemed paid over the condominium units and parking spaces”; and (b) cause the release of the remaining funds in favor of the Company and UPRHI as a result of the rescission of the joint venture agreement.

PRHC appealed the RTC’s Decision to the Court of Appeals, but the appellate court affirmed the trial court’s judgment in a Decision dated December 27, 2011. The Court of Appeals, however, decreased the RTC’s award of attorney’s fees to the Company, URPHI and ULC to only P50,000.00 each. PRHC moved for reconsideration of the Court of Appeals’ Decision, while the Company and URPHI moved for its partial reconsideration praying for the reinstatement of the RTC’s full award of attorney’s fees. The Court of Appeals denied both motions in its Resolution dated July 26, 2012.

PRHC filed with the Supreme Court a Petition for Review dated August 23, 2012, which was docketed as G.R. No. 202751. The Company and URPHI also filed with the High Court a Petition for Review dated August 28, 2012, which was docketed as G.R. No. 202772, assailing the Court of Appeals’ ruling decreasing the award of attorney’s fees.

In its Resolution dated September 17, 2012, the Supreme Court denied the Company’s and URPHI’s Petition. The Supreme Court later on issued its Entry of Judgment dated October 31, 2012 in G.R. No. 202772.

In its Resolution dated April 24, 2017 in G.R. No. 202751, the Supreme Court dismissed PRHC’s Petition and affirmed the judgments of the lower courts. PRHC moved for reconsideration of the Resolution dated April 24, 2017, but ULC, the Company, and URPHI opposed the motion.

On January 24, 2018, the Company and URPHI moved for the early resolution of PRHC’s motion for reconsideration. On February 2, 2018, ULC likewise moved for the resolution of the motion for reconsideration. However, as of this date, PRHC’s motion for reconsideration is still pending resolution by the Supreme Court.

Annabelle Abaya, et al. vs. Isidro Consunji, et al.

SEC No. MC 03-075

National Capital Regional Trial Court, Branch 211, Mandaluyong City

This case is an intra-corporate dispute filed by Annabelle Abaya and several other plaintiffs (collectively, “plaintiffs”) against the Company, D.M. Consunji, Inc. (“DMCI”), Isidro Consunji, Ma. Edwina Laperal, and Jose Merin (collectively, “defendants”) for breach of contract and/or annulment of contract, specific performance, accounting, reimbursement, and damages, with applications for receivership and preliminary attachment.

On October 28, 2014, plaintiffs, along with defendant Atty. Bayani K. Tan, filed a Joint Motion to Dismiss dated October 28, 2014 praying for the dismissal of the case only insofar as defendant Atty. Tan was concerned.

On February 11, 2015, the trial court issued an Order of even date (a) granting the Joint Motion to Dismiss filed by plaintiffs and Atty. Tan; and (b) dismissing the case against Atty. Tan but without ruling on the cross-claims against him. After defendants filed a Manifestation and Motion dated March 23, 2015 asking

the trial court to direct Atty. Tan to participate in the subsequent proceedings, the trial court issued an Order dated July 1, 2015 belatedly mentioning that its Order dated February 11, 2015 also dismissed defendants' cross-claims against Atty. Tan (see further discussion below).

On August 1, 2017, summons was served on defendant Lozano at his new residence at Ayala Alabang Village, Muntinlupa City. On August 30, 2017, defendant Lozano filed his Answer with Counterclaims and Cross-claim of even date.

On October 10, 2017, defendants (a) served on defendant Lozano Interrogatories of even date and a Request for Admission dated October 9, 2017; and (b) filed with the trial court a Motion for Production of Documents dated October 10, 2017.

In a Motion dated July 15, 2021, defendants DMCI, DMCI PDI, Mr. Consunji and Ms. Laperal asked the court to refer the case to mediation. However, this was denied in an Order dated November 21, 2021. A status conference was held on February 22, 2022 where complainants were directed to manifest at the next status conference on April 5, 2022 who among them are still willing to pursue the case.

Except for the following, none of the directors, executive officers and nominees for election as directors of the Corporation is subject to any pending criminal cases:

(1) Pp. vs. Isidro A. Consunji, et. al.
Criminal Case No. Q-02-114052
Regional Trial Court -Quezon City, Branch 78–

This is a complaint for violation of Article 315(2)(a) of the Revised Penal Code, as qualified by Presidential Decree No. 1689 was filed in RTC-QC Branch 78 as Criminal Case No. Q-02-114052 pursuant to a resolution of the Quezon City Prosecutor dated December 3, 2002 in I.S. No. 02-7259 finding probable cause against the directors and officers of Universal Leisure Club (ULC) and its parent company, Universal Rightfield Property Holdings, Inc., including Isidro A. Consunji as former Chairman, and Ma. Edwina C. Laperal as former director of ULC. Complainants claim to have been induced to buy ULC shares of stock on the representation that ULC shall develop a project known as "a network of 5 world clubs."

The case was re-raffled to RTC-QC Branch 85 (the "Court"). On January 10, 2003 respondents filed their Motion for Reconsideration on the resolution dated December 3, 2002 recommending the filing of the complaint in court, which was granted on August 18, 2003. Accordingly, a Motion to Withdraw Information was filed in Court. On September 11, 2003, complainants' sought reconsideration of the resolution withdrawing the information, but was denied by the City Prosecutor. By reason of the denial, Complainants' filed a Petition for Review with the Department of Justice (DOJ) on August 26, 2005.

Meanwhile, the Court granted the withdrawal of information on June 6, 2005. Complainants filed a Motion for Reconsideration and Urgent Motion for Inhibition, but were both denied by the Court in its Omnibus Order dated November 29, 2005. Thereafter, a Notice of Appeal was filed by the complainants, but was ordered stricken out from records by the Court for being unauthorized and declaring the Omnibus Order final and executory in its Order dated

February 22, 2007. The Petition for Review, however, filed by the Complainants with the DOJ on August 26, 2005 is pending to date.

- (2) **Rodolfo V. Cruz, et. al. vs. Isidro A. Consunji, et. al.**
I.S. Nos. 03-57411-I, 03-57412-I, 03-57413-I, 03-57414-I,
03-57415-I, 03-57446-I and 03-57447-I
Department of Justice, National Prosecution Service–

These consolidated cases arose out of the same events in the immediately above-mentioned case, which is likewise pending before the DOJ.

In its 1st Indorsement dated December 9, 2003, the City Prosecutor for Mandaluyong City, acting on a motion for inhibition filed by complainants, through counsel, recommended that further proceedings be conducted by the DOJ. In an order dated February 3, 2004, the DOJ designated State Prosecutor Geronimo Sy to conduct the preliminary investigation of this case. The last pleading filed is a notice of change of address dated June 27, 2008 filed by complainants' counsel. This case remains pending to date.

- (3) **Sps. Andrew D. Pope and Annalyn Pope vs. Alfredo Austria, et al.**
NPS Docket No. XV-INV-14K-01066
Office of the City Prosecutor, Taguig City

Noel A. Laman and Ma. Pilar M. Pilares-Gutierrez vs. Sps. Andrew D. Pope and Analyn Pope
NPS Docket No. XV-16-INV-15F-00436
Office of the City Prosecutor, Taguig City

This involves a complaint dated November 6, 2014 for syndicated estafa filed against certain directors of the Corporation, namely Messrs. Isidro A. Consunji, Jorge A. Consunji, Ma. Edwina C. Laperal, Alfredo A. Austria, Victor S. Limlingan and certain directors of D.M. Consunji, Inc. ("DMCI"), and the Corporation's Corporate Secretary and Assistant Corporate Secretary, Atty. Noel A. Laman ("Atty. Laman") and Atty. Ma. Pilar Pilares-Gutierrez ("Atty. Gutierrez"). The complainants alleged that DMCI failed to deliver the transfer certificate of title over the parcel of land they bought in Mahogany Place III, one of the developments of DMCI-PDI.

Attys. Laman and Gutierrez filed a Complaint-Affidavit dated June 9, 2015, counter-charging the Spouses Andrew and Annalyn Pope ("Spouses Pope") for the crime of Perjury which was allegedly committed on November 2014 to February 2015. Spouses Pope filed a Motion to Reopen Preliminary Investigation and to Admit Counter-Affidavit dated September 16, 2015. The Office of the City Prosecutor for Taguig City issued an Order dated September 23, 2015, granting the Motion of Spouses Pope.

In a Joint Resolution dated February 16, 2016, the Office of the City Prosecutor dismissed the Complaint-Affidavit dated November 6, 2014 of complainants Spouses Pope, because of their failure to show the element of deceit as would establish probable cause to indict the respondents for syndicated *estafa*. The Office of the City Prosecutor likewise dismissed the counter-charges for Perjury against Spouses Pope due to lack of merit.

Spouses Pope and Attys. Laman and Gutierrez filed their respective Petitions for Review both dated May 6, 2016 with the Department of Justice (“DOJ”), seeking to reverse and set aside the Office of the City Prosecutor’s Joint Resolution dated February 16, 2016 insofar as it dismissed their respective complaints. The impleaded officers and directors filed their Opposition on May 26, 2016. Spouses Pope likewise filed their Comment dated May 31, 2016. Attys. Laman and Gutierrez then filed their Motion for Leave to File Reply and the Reply dated June 10, 2016. The review is still pending with the DOJ.

(4) Maria Soledad Indoyon vs. Alfredo R. Austrial, et al.
NPS Docket No. XV-12-INV NO. 17-A-0077 - Violation of par. (b), (c) & (f) of Sec. 9, PD. 957
NPS Docket No. XV-12-INV NO. 17-A-0076 – Grave Coercion
Office of the City Prosecutor, Parañaque City

Complainant instituted two (2) before the City Prosecutor of Paranaque City, which, however, stemmed from a single act.

The complainant is a purchaser of a unit and parking slot in Raya Gardens Condominium. However, due to the failure of complainant to comply with the terms of payment of the parking slot, the Company rescinded the contract to sell.

The same parking slot was subsequently sold to another party. Despite notices to vacate, the complainant refused to surrender the parking slot and hence, the Company was constrained to exercise its right to repossess the parking slot.

By virtue of this repossession, the complainant instituted the above –stated criminal suits.

The officers of the company have already filed their Joint Counter-Affidavit.

(i) Significant employees

Each employee, whether executive or rank and file is considered important, and each makes a significant contribution to the business of the Company.

(j) Certain Relationship and Related Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making the financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Transactions entered into by the Group with related parties are at arm’s length and have terms similar to the transactions entered into with third parties. In the regular course of business, the Group’s significant transactions with related parties include the following:

The Company is a subsidiary of DMCI-HI. The Company, in its regular course of business, engages in transactions with DMCI-HI, its subsidiaries and affiliates.

The Company's significant transactions with related parties consist primarily of the following:

- a. General and special management services rendered by DMCI-HI, the ultimate parent company, and by DMCI Homes, Inc., a subsidiary, to the Parent Company for a fee. This is effective for a period of five (5) years and renewable for another five (5) years upon mutual agreement of the contracting parties. The management contract expired in 2018 and was not renewed in 2019.

Total management fees charged against operations under this agreement amounted to ₱4.2 million as of December 31, 2018.

- b. Dividend income from investment in Subic Water and Sewerage Company recognized by the Parent Company in the statements of comprehensive income amounted to ₱45million and ₱36million in 2021 and 2020, respectively.

- c. Contract billings by DMCI, an affiliate, amounting to ₱94.11 million as of December 31, 2020, respectively, for the construction of the real estate projects included in the "Payables to related parties" account.

- d. The Group has outstanding balance from a condominium corporation for the advances made for association dues and utilities consumed by hotel rooms, common areas and concessionaires for its hotel operations. These are included as receivable from related parties under "Receivables" account in the consolidated statements of financial position.

- e. *Design and build agreement*

The Company entered into an agreement with its joint venture, RLC DMCI Property Ventures, Inc. (RDPVI), for the design and construction of a residential condominium project. Terms of payment include 15% downpayment and balance payable through monthly progress billings subject to retention and recoupment.

- i. Contractor's revenue*

The Company recognized ₱236.89 million and ₱119.09 million contractor's revenue in 2021 and 2020, respectively, which is based on the actual costs incurred over the total budgeted cost of the project. Related cost incurred amounted to ₱217.69 million and ₱109.44 million in 2021 and 2020, respectively.

- ii. Billings in excess of cost and estimated earnings on uncompleted contracts*

The Company also recognized ₱152.38 million and ₱70.90 million billings in excess of costs and estimated earnings on uncompleted contracts in 2021 and 2020 respectively, which is presented under "Contract liabilities". This represents billings in excess of total costs incurred and estimated earnings recognized

- iii. Contract retention*

The Company recognized ₱96.80 million and ₱34.62 million contract retention as of December 31, 2021 and December 31, 2020, respectively. This pertains to the amount retained as security and shall be released after the period as indicated in the contract for

the rectification of defects and non-compliance from the specifications indicated in the agreement

iv. *Contracts receivable*

The Company recognized ₱180.64 million and ₱115.18 million contracts receivable as of December 31, 2021 and December 31, 2020 respectively, which arises from the construction activities in relation to the joint venture with RDPVI. These receivables are based on progress billings provided to customers over the period of construction

v. *Contract liabilities*

The Company recognized customers' advances and deposits amounting ₱601.67 million which represents the downpayment made by RDPVI. This is equivalent to the value of land and 15% of the contract amount less the first downpayment which is paid upon issuance of building permit

f. *Management and marketing services agreement*

RDPVI has also engaged the services of the Group for the management and marketing of its project. Consideration for the management services is valued at 3% of the sum of net total contract price (NTCP) collected for each month while marketing services to provided is equivalent to 0.50% of real estate sales recorded each month.

RLC and the Company will also act as the exclusive selling arm of RDPVI for the sale of units and parking lots of the project wherein 1.5% of the NTCP of sold units will be payable to the party who sold the units, RLC or the Group.

In 2021 and 2020, the Group earned management and marketing fees amounting to ₱7.59 million and ₱11.21 million, respectively .

g. *Socialized Housing Agreement with DMC Urban Property Developers, Inc.*

The Company entered into a socialized housing agreement with DMC Urban Property Developers, Inc. (UPDI), an accredited developer of socialized housing project by Department of Human Settlements and Urban Development (DHSUD) in order to obtain the required credits for the development of the condominium project. This was documented in a joint venture agreement in which profits will be shared on a 50:50 allocation basis. The Company finances the whole development and construction of the project while UPDI contributes the land and act as project manager of the project. The total project cost of the compliance project amounts to ₱458.78 million. As of December 31, 2021 and 2020, the advances recorded in the books under "Other current assets" amounted to ₱195.97 million and ₱140.37 million, respectively.

There have been no guarantees provided or received for any related party receivables or payables. The Company has not recognized any impairment losses on amounts receivables from related parties for the years ended December 31, 2021 and 2020. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Transactions between related parties are based on terms similar to those offered to non-related parties. Related party transactions are made under the normal course of business.

Total outstanding receivables from related parties as of December 31, 2021 and December 31, 2020 amounted to ₱120.5 million and ₱17.9 million, respectively. Total outstanding payable to related parties as of December 31, 2020 amounted to ₱94.11million (nil in 2021).

To the best of the Company’s knowledge, there are no parties that fall outside of the definition of “related parties” under SFAS/IAS No. 24, but with whom the Company 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.

Directors Disclosure on Self-Dealing and Related Party Transactions

The Company has no related party transactions with any of its Board of Directors.

Item 6. Compensation of Directors and Executive Officers

ANNUAL COMPENSATION IN PHILIPPINE PESOS

Names	Year	Salary	Bonus	TOTAL
Alfredo R. Austria President and Chief Operating Officer				
Ma. Edwina C. Laperal Senior Vice-President and Treasurer				
Enrico C. Wong Senior Vice President for DPMC, Alta Vista, General Services and Leasing				
Adrian Crisanto M. Calimbas Senior Vice President for Design and Engineering, Construction and Asset Disposal				
Roel A. Pacio Vice President for Legal and Permits				
Total for five most highly compensated executive officers	2020	₱16,585,447	₱1,327,221	₱17,912,668
	2021	₱14,502,937	₱1,205,516	₱15,708,453
	2022 (estimates)	₱15,237,945	₱1,262,829	₱16,500,773
	2023 (estimates)	₱16,010,203	₱1,326,829	₱17,337,032
Total for all other officers as a group unnamed*	2020	₱66,188,816	₱4,998,150	₱71,186,967
	2021	₱63,332,549	₱5,144,166	₱68,476,715
	2022 (estimates)	₱65,729,210	₱5,345,635	₱71,075,346
	2023 (estimates)	₱68,216,566	₱5,547,937	₱73,764,493

*Officers holding positions of Managers and above.

The directors do not receive any compensation for being directors of the Corporation, except for reasonable per diems for attending board and committee meetings. Each director receives a per diem of Php10,000 for every regular meeting of the Board and of the Committees. For the year 2021, the following directors received the total amount of per diems indicated opposite their respective names:

Name of Director	Total Per Diems Received in 2021
Isidro A. Consunji	Php 40,000
Jorge A. Consunji	Php 40,000
Ma. Edwina C. Laperal	Php 40,000
Alfredo R. Austria	Php 40,000
Adrian Crisanto Calimbas	Php 20,000
Ma. Cristina C. Gotianun	Php 40,000
Herbert M. Consunji	Php 80,000
Honorio O. Reyes-Lao	Php 80,000
Francisco F. Del Rosario, Jr.	Php 80,000
Elmer G. Civil	Php 10,000
TOTAL PER DIEM PAID IN 2021	Php470,000

There is no contract covering their employment with the Corporation and they hold office by virtue of their election to office. The Company has no agreements with its named executive officers regarding any bonus, profit sharing, pension or retirement plan.

There are no outstanding warrants, options, or right to repurchase any securities held by the directors or executive officers of the Company.

Item 7. Independent Public Accountant

- (a) The auditing firm, Sycip Gorres Velayo & Co. will be recommended to the stockholders for appointment as the Corporation’s principal accountant for the ensuing fiscal year. Conformably with SRC Rule 68(3)(b)(iv), the Corporation’s independent public accountant shall be rotated, or the handling partner shall be changed, every 5 years. A two-year cooling off period shall be observed in the re-engagement of the same signing partner or individual auditor.

Representatives of Sycip Gorres Velayo & Co. will be present during the annual meeting of the stockholders and they will have the opportunity to make any statement if they desire to do so. They will be available to respond to questions from the stockholders, if any is raised durin the annual stockholders’ meeting.

- (b) SyCip Gorres Velayo & Co. was the same principal accountant of the Corporation for the fiscal year most recently completed, December 31, 2021.

- (c) The members of the Corporation’s Audit Committee are:

Audit Committee	
Chairman:	FRANCISCO F. DEL ROSARIO, JR.
Members:	1. HONORIO REYES-LAO
	2. HERBERT M. CONSUNJI

- (d) The audit firm Sycip Gorres Velayo & Co. has no shareholdings in the Corporation nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Corporation. Sycip Gorres Velayo & Co. will not receive any direct or indirect interest in the Corporation 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.
- (e) There are no disagreements on any matter of accounting principle or practices, FS disclosures, etc., between Sycip Gorres Velayo & Co. and the Corporation.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 8. Authorization or Issuance of Securities Other than for Exchange

There are no issues regarding the issuance of securities other than for exchange.

Item 9. Mergers, Consolidations, Acquisitions and Similar Matters

DMCI Project Developers Inc. (the "Corporation") will merge with its wholly owned subsidiary, L&I Development Corporation (LIDC), with the Corporation as the surviving corporation.

(1) The name, address and telephone number of the principal executive office.

Surviving Corporation: DMCI Project Developers, Inc.
 DMCI Homes Corporate Center
 1321 Apolinario Street, Bangkal, Makati City
 Telephone: (632) 8810-77-58

Absorbed Corporation: L&I Development Corporation (LIDC)
 817 EDSA South Triangle, Quezon City
 Telephone: (632) 8555-77-77

(2) Description of the general nature of the business conducted by the absorbed corporation

LIDC is engaged in the business of engaging and dealing in real estate and acquisition by purchase of lands and buildings of any kind and construction, erection, ownership, holding and improvement as well as selling, conveyance, transfer, disposition of the same for itself and for others, for profit and advantage to such persons and entities in such terms and conditions as LIDC may deem proper and management and administration of residential, commercial, urban and other kinds of buildings and lands

owned or held by LIDC and acting as a broker on commission as may be proper and legal for and in behalf of its principal as may be required and necessarily implied for the aforementioned purpose.

(3) Summary of the material features of the proposed transaction.

(A) Summary of the terms of the transaction agreement

LIDC shall be merged with and into the Corporation which shall be the surviving corporation. The effective time of the merger ("Effective Time") shall be the date of approval of the Securities and Exchange Commission (SEC) and its issuance of the Certificate of Filing of the Articles of Merger. After the Effective Time, the Corporation shall continue to conduct its business under its existing name. All of the legal consequences set forth in Section 79 of the Revised Corporation Code and those that are to be provided in the Plan of Merger shall take effect with respect to the merger. There shall be no issuance of shares of stocks since the merger is an upstream merger whereby the Corporation will be the surviving corporation. The Articles of Incorporation and By-Laws of the Corporation as the surviving corporation shall be the same as the present Articles of Incorporation of the Corporation. The directors of the Corporation, as the surviving corporation, upon the merger becoming effective, shall be the same directors and officers of the Corporation in office, immediately prior to the merger, and their respective term of office shall not be changed by the merger.

(B) Reason for engaging in the transaction

The merger between the Corporation and LIDC with the Corporation as the surviving corporation is desirable and advantageous to the Corporation and LIDC and their respective shareholders for the following business reasons:

- (a) The integration of the operations of the two (2) corporations will result in economies of scale and operational efficiency; and
- (b) The consolidation of assets of the two (2) corporations will allow the merged corporation to make more productive use of the same.

(C) Explanation of the material difference in the rights of security holders of the registrant as a result of this transaction

L&I Development Corporation is a wholly owned subsidiary of DMCI Project Developers, Inc. There will be no difference in the rights of the security holders of DMCI Project Developers, Inc. as a result of this transaction.

(D) Statement as to the accounting treatment of the transaction.

The accounting method to be used in the merger of accounts of the Corporation and LIDC is the pooling of interests method.

(4) Statement as to dividends in arrears or defaults in principal or interest in respect of any security of the registrant or of such other person and as to the effect of the transaction thereon and such other information as may be appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

The Corporation and L&I Development Corporation currently have no dividends in arrears. Neither have they defaulted in principal or interest in respect of any security issued. The merger will not have any effect on the dividend payment of the Corporation and neither will it have any effect on the security holders of the Corporation.

(5) In comparative columnar form, on a historical and, if material, a pro forma basis, the following information for the registrant and the other person for the last two fiscal years:

	DMCI PROJECT DEVELOPERS INC		L & I DEVELOPMENT CORPORATION	
	2021	2020	2021	2020
Net Sales or Operating Revenues	24,575,749,786.00	16,092,440,897.00	648,054.00	2,896,678.00
Income (loss) from continuing operations	5,199,843,531.00	1,493,859,170.00	165,047.00	(37,459,478.00)
Long-term obligations	32,634,591,651.00	28,314,873,498.00	NIL	NIL
Redeemable Preferred Stock	NIL	NIL	NIL	NIL

(6) In comparative columnar form, historical and pro forma per share data of the registrant and historical and equivalent pro forma per share data of the other person for the following items for the last two fiscal years:

	DMCI PROJECT DEVELOPERS INC		L & I DEVELOPMENT CORPORATION	
	2021	2020	2021	2020
Book Value per share	7.67	6.51	0.16	0.15
Cash Dividend declared per share (common)	0.36	0.36	NIL	NIL
Cash Dividend declared per share (preferred)	NIL	NIL	NIL	NIL
Income (loss) per share from continuing operations	1.49	0.43	0.00	(0.90)

(7) A statement as to whether any regulatory requirement must be complied with or approval must be obtained in connection with the transaction and, if so, the status of such compliance or approval.

Apart from the approval by the Securities and Exchange Commission (SEC) of the merger, the Corporation does not need to obtain any other regulatory approval of the transaction.

(8) Report, opinion or appraisal materially relating to the transaction

The Corporation did not receive any report, opinion or appraisal materially relating to the merger. The Corporation is not relying on any such report, opinion or appraisal for purposes of the merger transaction.

(9) A description of any past, present or proposed material contract, arrangement, understanding, relationship, negotiation or transaction during the past two fiscal years between the other person or its affiliates and the registrant or its affiliates such as those concerning a merger, consolidation or acquisition; a tender offer or other acquisition of securities; an election of directors; or a sale or other transfer of a material amount of assets.

On 1 October 2020, a Deed of Assignment was entered into by and among (a) all the registered and beneficial stockholders of LIDC and (b) the Corporation wherein 418,300 common shares with a par value of Php 100 per share in LIDC were assigned, transferred and conveyed to the Corporation for a consideration of Six Hundred Twenty Four Million Three Hundred Forty Five Thousand Pesos (Php 624,345,000.00). This transaction resulted in the Corporation owning 100% of the issued and outstanding stock of LIDC.

The incumbent directors and officers are as follows:

Name	Board	Officer
Isidro A. Consunji	Yes	Chairman
Alfredo R. Austria	Yes	President
Ma. Edwin C. Laperal	Yes	Comptroller/Treasurer
Adrian Crisanto M. Calimbas	Yes	N/A
Valerie Anne Patricia A. Consunji	Yes	N/A
David Joseph A. Consunji	Yes	N/A
Alexander Paul C. Gotianun	Yes	
Atty. Roel A. Pacio	No	Corporate Secretary
Atty. Basilio D. Gascon, Jr.	No	Assistant Corporate Secretary

(10) As to each class of securities of the registrant or of the other person which is trading on an exchange or with respect to which a market otherwise exists, state the high and low sale prices as of the date, which shall be specified, preceding public announcement of the proposed transaction, or if no such public announcement was made, as of the date, which shall be specified, preceding the day the agreement or resolution with respect to the action was made.

DMCI Project Developers, Inc. is a subsidiary of DMCI Holdings, Inc. It has less than 15 stockholders (including directors). Its shares are not listed on any stock exchange. Its share price was not affected by the disclosure of the merger with L&I Development Corporation which in turn is its wholly owned subsidiary.

Business experience of the Directors and Officers of LIDC (absorbed corporation) during the past five (5) years.

The business experience of each of LIDC's directors covering the past five years are described below.

Isidro A. Consunji, 73, Filipino, is the Chairman of the Board of Directors of LIDC. He is a graduate of B.S. Civil Engineering at the University of the Philippines. He obtained his Masters degree in Business Economics from the Center for Research and Communication and Masters in Business Management from the Asian Institute of Management, and attended the Advanced Management Program at Instituto de Estudios Superiores de la Empresa (IESE) in Barcelona, Spain. For the past five years, he has been the Chairman of DMCI Project Developers, Inc., President of DMCI-HI, Dacon Corporation, and Asia Industries Inc. He is also the Chairman of the Board of Directors of DMCI Mining Corp., D.M. Consunji, Inc., DMCI Homes, and Beta Electric Corp. He is the Vice Chairman of Maynilad Water Services Inc., and director of Semirara Mining and Power Corporation, DMCI/MPIC Water Company Inc., Crown Equities, Inc., Atlas Consolidated Mining and Dev Corp., Carmen Copper Corp., Sem-Calaca Power Corp., Berong Nickel Corp., Toledo Mining Corp., ENK PLC (London). He was the former President of the Philippine Constructors Association and Philippine Chamber of Coal Mines, Inc. At present, he is the Chairman of the Board of the Philippine Overseas Construction Board and a board member of Construction Industry Authority of the Philippines.

Alfredo R. Austria, 64, Filipino, is the President of LIDC. He is a graduate of B.S. Civil Engineering, Cum Laude, at the University of the Philippines. He is a licensed Civil Engineer and placed 2nd at the Philippine Civil Engineering Board Exam. He also obtained his Master in Business Administration from the University of the Philippines. He has held various positions in different construction companies domestically and internationally. He is a member of the Philippine Institute of Civil Engineers - Manila Chapter.

Ma. Edwina C. Laperal, 60, Filipino, is a Director, Treasurer of LIDC. She graduated with a degree in B.S. Architecture and obtained her Masters Degree in Business Administration from the University of the Philippines and an Executive Certificate for Strategic Business Economics Program from the University of Asia & the Pacific (formerly the Center for Research and Communication). She is a licensed architect in the Philippines. She is concurrently the Director and Treasurer of DMCI Project Developers, Inc., DMCI Holdings, Inc., D.M. Consunji Inc. and Dacon Corporation and a Director in Semirara Mining and Power Corporation, DMC Urban Property Developers, Inc., and Sem-Calaca Power Corporation.

Adrian Crisanto M. Calimbas, 54, Filipino, is Director of LIDC. He is also a Director and the Senior Vice President for Design and Engineering, Construction and Post Construction of DMCI PDI since December 2019. He joined DMCI PDI in 2001 and held various positions from Project In Charge to Vice President for Design and Engineering. Prior to this, he was a Civil Engineer at DM Consunji Inc for twelve years. He is a graduate of Bachelor of Science in Civil Engineering from University of Sto. Tomas. He is also a member of the Philippine Institute of Civil Engineers.

Valerie Anne Patricia A. Consunji, 34, Filipino, is a Director of LIDC. She graduated with a degree in Bachelor of Science in Architecture and is a licensed architect in the Philippines. She obtained her Masters Degree in Business Administration from London Business School (LBS) in London, United Kingdom. She is currently a Director of D. M. Consunji, Inc and is the Project Development Manager of DMC Urban Property Developers Inc.

David Joseph A. Consunji, 39, Filipino, is a Director of LIDC. He graduated with a degree in Bachelor of Science in Applied Economics from De La Salle University. He is currently the Head of Information Technology of DMC Urban Property Developers, Inc and Information Technology Officer of DMCI PDI. He is also a licensed real estate broker in the Philippines.

Alexander Paul C. Gotianun, 26, Filipino, is a Director of LIDC. He graduated with a degree in Bachelor of Science in Civil Engineering with a focus on project management from the University of Sydney. He is currently the Assistant to the President in DMConsunji Inc.

Roel A. Pacio, 54, Filipino, is the Corporate Secretary of LIDC. He is also the Vice President for Legal and Permits of DMCI PDI since 2013. He joined DMCI PDI in 2000 as Legal Officer. He was also the Deputy Director for Legal, Permits and Administration and Assistant Vice President for Legal and Permits prior to his current appointment. He earned his Juris Doctor degree from Ateneo de Manila University College of Law, with Silver Medal for Second Honors. He is also a Certified Public Accountant and is a graduate of Bachelor of Science in Commerce Major in Accounting from St. Louis University. He is a member of Integrated Bar of the Philippines and Philippine Institute of Certified Public Accountants.

Basilio D. Gascon, 46, Filipino, is the Assistant Corporate Secretary of LIDC. He is also the Senior Legal Manager of DMCI PDI. He graduated with a degree in Bachelor of Laws from Arellano University. He is a member of Integrated Bar of the Philippines.

D. OTHER MATTERS

Item 9. Action with respect to Reports

Summary of Items to be submitted for Stockholders' Approval

(1) *Approval of the Minutes of the Annual Stockholders' Meeting held on May 12, 2021*

The minutes of the annual stockholders' meeting held on May 12, 2021 will be submitted for approval of the stockholders at the annual meeting to be held on June 14, 2022.

The following directors attended the annual meeting held on May 12, 2021:

- (1) Isidro A. Consunji
- (2) Jorge A. Consunji
- (3) Ma. Edwina C. Laperal
- (4) Alfredo R. Austria

- (5) Elmer G. Civil
- (6) Ma. Cristina C. Gotianun
- (7) Herbert M. Consunji
- (8) Honorio Reyes-Lao (independent director)
- (9) Francisco F. Del Rosario, Jr. (independent director)

The Corporation is a subsidiary of DMCI Holdings, Inc. and has less than 15 stockholders (including the above directors).

Below is a summary of the items and/or resolutions approved at the annual stockholders' meeting held on May 12, 2021:

- (a) The Chairman of the Board of Directors of the Corporation called the meeting to order.
- (b) The Secretary of the meeting certified that a quorum existed for the transaction of business. All of the holders of the entire outstanding capital stock of the Corporation were present via proxy or through remote communication.
- (c) The stockholders representing the entire outstanding capital stock approved the minutes of the 2020 annual stockholders' meeting. No stockholder voted against the resolution. The following is a record of the tabulation of votes:

Agenda	For	Percentage to Outstanding Capital	Against	Abstain
Approval of Minutes of 2020 Annual Meeting	3,487,727,331	100%	0	0

- (e) Upon motion duly made and seconded, the stockholders ratified the acts of the officers and the Board of Directors of the Corporation for the year 2020 until the date of the annual stockholders' meeting, as they are reflected in the books and records of the Corporation. The following is a record of the tabulation of votes:

Agenda	For	Percentage to Outstanding Capital	Against	Abstain
Ratification of Corporate Acts	3,487,727,331	100%	0	0

- (f) Upon motion duly made and seconded, the auditing firm Sycip Gorres Velayo and Co. was appointed as independent auditors of the Corporation for the then current fiscal year. The following is a record of the tabulation of votes:

Agenda	For	Percentage to Outstanding Capital	Against	Abstain
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Appointment of SGV & Co. as external auditors	3,487,727,331	100%	0	0
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(g) The following were elected as directors of the Corporation for the then current year, to serve as such for a period of one year and until their successors shall have been elected and qualified:

- (1) Isidro A. Consunji
- (2) Jorge A. Consunji
- (3) Ma. Edwina C. Laperal
- (4) Alfredo R. Austria
- (5) Elmer G. Civil
- (6) Ma. Cristina C. Gotianun
- (7) Herbert M. Consunji
- (8) Honorio Reyes-Lao (independent director)
- (9) Francisco F. Del Rosario, Jr. (independent director)

Result of Voting on the Election of Directors for the year 2021-2022:

Regular Directors

	FOR	AGAINST	ABSTAIN
Isidro A. Consunji	3,487,727,331	0	0
Jorge A. Consunji	3,487,727,331	0	0
Ma. Edwina C. Laperal	3,487,727,331	0	0
Ma. Cristina C. Gotianun	3,487,727,331	0	0
Herbert M. Consunji	3,487,727,331	0	0
Alfredo R. Austria	3,487,727,331	0	0
Elmer G. Civil	3,487,727,331	0	0

Independent Directors

	FOR	AGAINST	ABSTAIN
Honorio Reyes-Lao	3,487,727,331	0	0
Francisco F. Del Rosario, Jr.	3,487,727,331	0	0

(h) Upon motion duly made and seconded, the annual stockholders' meeting was adjourned.

Description of Voting and Voting Tabulation Procedures used in the 2021 annual meeting

Stockholders of record were allowed to vote by proxy at the 2021 annual stockholders' meeting. The Corporation being a subsidiary of DMCI Holdings, Inc. with less than 15 stockholders including directors, tabulation of votes was done by the Corporate Secretary who had access to the submitted proxies. Based on the votes submitted by proxies, the Corporate Secretary was able to prepare the official tabulation of votes.

Description of opportunity given to stockholders to ask questions

The stockholders were encouraged to submit their questions before and during the May 12, 2021 annual stockholders' meeting. As the Corporation is a wholly-owned subsidiary of DMCI Holdings, Inc. and there are no other shareholders apart from the directors of the Corporation who are aware of the operations and financial status of the Corporation (these being discussed during the board meetings of the Corporation), no questions were raised during the May 12, 2021 annual stockholders' meeting of the Corporation.

Appraisals and Performance Report for the Board

In accordance with the recently adopted Code of Corporate Governance for Public Companies and Registered Issuers, the Corporate Governance Committee is tasked to oversee the periodic performance evaluation of the Board and its committees as well as executive management. It also seeks to conduct an annual self-evaluation of its performance. The Corporate Governance Committee will conduct an annual performance evaluation of the Board for the year 2021 within the second quarter of 2022.

(2) Ratification of the Acts of the Board of Directors and Officers

Resolutions, contracts, and acts of the board of directors and management for ratification refer to those passed or undertaken by them during the year and for the day to day operations of the Company as contained or reflected in the minute books, annual report and financial statements. These acts are covered by resolutions of the Board of Directors. Specifically these resolutions include the following: (a) opening of bank accounts and updating of bank signatories; (b) amendment and updating of bank signatories; (c) designation of authorized signatories for various contracts in the ordinary course of business; (d) acquisition and sale of parcels of land; (e) designation of authorized signatories for applications for permits, water connection, power connection and telecommunications facilities for various projects of the Corporation; (f) designation of representatives for various cases filed by and against the Corporation; (g) appropriation of retained earnings and reversal of appropriation of retained earnings; (h) declaration of cash dividends, and (i) merger of the Corporation with L&I Development Corporation (LIDC), with the Corporation as surviving corporation.

Item 10. Summary of Voting Matters/Voting Procedures

(a) Summary of Matters to be presented to Stockholders

- (1) Approval/ratification of the minutes of the annual meeting of stockholders held on May 12, 2021. Approval of said minutes shall constitute confirmation of all the matters stated in the minutes.
- (2) Approval of the Management Report for the year ending December 31, 2021. Upon approval thereof, the same shall form part of the records of the Corporation. The stockholders will be given the opportunity during the annual meeting to ask questions from the management of the Corporation. A record of the questions raised and answers given will be provided in the minutes of the annual stockholders' meeting.

- (3) Ratification of Acts of Directors and Officer. Resolutions, contracts, and acts of the board of directors and management for ratification refer to those passed or undertaken by them during the year and for the day to day operations of the Company as contained or reflected in the attached annual report and financial statements and more specifically identified in item 9 (2) of this Information Statement.
- (3) Appointment of Independent Auditors. Selection by the stockholders of SyCip Gorres Velayo & Co. as independent auditors of the Corporation.
- (5) Merger with L&I Development Corporation

The merger of the Corporation with L&I Development Corporation (LIDC), with the Corporation as surviving corporation is one of the items that will be submitted for stockholders' approval at the **June 24, 2022** annual meeting in accordance with Sec. 76 of the Revised Corporation Code. LIDC is currently a wholly-owned subsidiary of DMCI Project Developers, Inc. and the merger is envisioned to achieve an efficient manner for the Corporation to be able to develop the real properties owned by LIDC. The merger is subject to the approval of the Securities and Exchange Commission (SEC). Upon SEC approval of the merger, the following shall be the effects:

- (a) The constituent corporations shall become a single corporation which, in case of merger, shall be the surviving corporation designated in the plan of merger; and, in case of consolidation, shall be the consolidated corporation designated in the plan of consolidation;
- (b) The separate existence of the constituent corporations shall cease, except that of the surviving or the consolidated corporation;
- (c) The surviving or the consolidated corporation shall possess all the rights, privileges, immunities, and powers and shall be subject to all the duties and liabilities of a corporation organized under the Revised Corporation Code;
- (d) The surviving or the consolidated corporation shall possess all the rights, privileges, immunities and franchises of each constituent corporation; and all real or personal property, all receivables due on whatever account, including subscriptions to shares and other choses in action, and every other interest of, belonging to, or due to each constituent corporation, shall be deemed transferred to and vested in such surviving or consolidated corporation without further act or deed; and
- (e) The surviving or consolidated corporation shall be responsible for all the liabilities and obligations of each constituent corporation as though such surviving or consolidated corporation had itself incurred such liabilities or obligations; and any pending claim, action or proceeding brought by or against any constituent corporation may be prosecuted by or against the surviving or consolidated corporation. The rights of creditors or liens upon the property of such constituent corporations shall not be impaired by the merger or consolidation.

- (6) Petition for Voluntary Revocation of Securities and Certificate of Permit to Sell Securities

The Corporation is seeking the stockholders' approval and confirmation of the proposal of the board of directors to file with the SEC a petition for voluntary revocation of registration of securities and certificate of permit to sell securities. The Corporation previously registered as securities with the SEC deferred coupon-paying Homesaver Bonds with an aggregate principal amount of up to P1,000,000,000.00. As of October 21, 2021, all the bonds have matured and as a consequence, the Corporation does not anymore have any outstanding obligations on the said bonds.

(7) Election of Directors

Election of the Board of Directors (two of whom must be independent directors) to hold office for a period of one year and until the next annual meeting of stockholders and until their successor/s is/are elected and qualified.

The nominees for directors are:

Regular Directors:³

ISIDRO A. CONSUNJI
JORGE A. CONSUNJI
MA. EDWINA C. LAPERAL
ALFREDO R. AUSTRIA
ADRIAN CRISANTO CALIMBAS
HERBERT M. CONSUNJI
MA. CRISTINA C. GOTIANUN

Independent Directors:

HONORIO O. REYES-LAO
FRANCISCO F. DEL ROSARIO, JR.

All of the above nominees are currently directors of the Corporation.

Two (2) Independent Directors⁴ of the Corporation within the purview of SRC Rule 38 are Messrs. Honorio O. Reyes-Lao and Francisco F. Del Rosario.

A report on the performance of the board of directors including a report on any self-dealing of directors and related party transactions, if any, will be submitted to the stockholders during the annual stockholders' meeting.

(b) Voting Procedures

³ There are eleven board seats available. The Corporation received only a total of seven nominees for regular directors and two nominees for independent directors. Two board seats shall be vacant.

⁴ An "Independent Director" shall mean a person other than an officer or employee of the Corporation or its subsidiaries, or any other individual having a relationship with the Corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The following voting procedure shall be presented to the stockholders during the annual stockholders' meeting. The votes shall be tabulated based on the votes and proxies submitted by email by the stockholders before the **June 24, 2022** annual stockholders' meeting. A record of the voting results for each agenda item will be provided in the minutes of the annual stockholders' meeting.

- (1) Approval/ratification of the minutes of the annual stockholders' meeting held on May 12, 2021.
 - (A) Vote required: A majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.
 - (B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The stockholders shall vote by proxy or in absentia.
- (2) Approval of the Management Report
 - (A) Vote required: A majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.
 - (B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The stockholders shall vote by proxy or in absentia.
- (3) Ratification of the Acts of the Board of Directors and Officers
 - (A) Vote required: A majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.
 - (B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The stockholders shall vote by proxy or in absentia.
- (4) Appointment of Independent External Auditors
 - (A) Vote required: A majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.
 - (B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The stockholders shall vote by proxy or in absentia.
- (5) Merger with L&I Development Corporation
 - (A) Vote required: 2/3 of the outstanding common stock present in person or by proxy, provided constituting a quorum.
 - (B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The stockholders shall vote by proxy or in absentia.

(6) Petition for Voluntary Revocation of Registration of Securities and Certificate of Permit to Sell Securities

- (A) Vote required: A majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.
- (B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The stockholders shall vote by proxy or in absentia.

(7) Election of Directors

- (A) Vote required. The eleven (11) candidates receiving the highest number of votes shall be declared elected.⁵
- (B) Method by which votes will be counted. Cumulative voting applies. Under this method of voting, a stockholder entitled to vote shall have the right to vote by proxy or in absentia the number of shares of stock standing in his own name on the stock books of the Corporation as of the Record Date, and said stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The stockholders shall vote by proxy or in absentia.

The eleven nominees obtaining the highest number of votes will be proclaimed as Directors of the Corporation for the ensuing year, provided two of whom must be independent directors.

The Corporate Secretary and the Chief Compliance Officer have been appointed as the Board of Canvassers. The Board of Canvassers shall have the power to count and tabulate all votes, assents and consents; determine and announce the result; and to do such acts as may be proper to conduct the election or vote with fairness to all stockholders.

**PART II
SIGNATURE**

Management does not intend to bring any matter before the meeting other than those set forth in the Notice of the annual meeting of stockholders and does not know of any matters to be brought before the meeting by others.

⁵ The Corporation received only seven nominees for regular directors and two nominees for independent directors, or a total of nine (9) nominees. Two board seats shall remain vacant in the meantime.

ACCOMPANYING THIS INFORMATION STATEMENT ARE COPIES OF THE (1) NOTICE OF THE ANNUAL STOCKHOLDERS' MEETING CONTAINING THE AGENDA THEREOF; AND (2) THE CORPORATION'S MANAGEMENT REPORT PURSUANT TO SRC RULE 20 (4).

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE CORPORATION WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE CORPORATION'S ANNUAL REPORT IN SEC FORM 17-A AND THE CORPORATION'S LATEST QUARTERLY REPORT IN SEC FORM 17-Q DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING:

DMCI Project Developers, Inc.
DMCI Homes Corporate Center
1321 Apolinario Street, Bangkal
1233 Makati City.

Attention: The Corporate Secretary

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on May 2, 2022.

DMCI Project Developers, Inc.

By:



MA. PILAR PILARES-GUTIERREZ
Assistant Corporate Secretary

FINAL LIST OF CANDIDATES FOR THE BOARD OF DIRECTORS⁶

A. REGULAR DIRECTORS

Isidro A. Consunji – is 73 years old; has served the Corporation as a regular director for twenty five (25) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corp. and Atlas Consolidated Mining and Development Corp. and Crown Equities Inc. ; **(Non-listed)** D. M. Consunji, Inc., DMCI Project Developers, Inc., DMCI Mining Corp., DMCI Power Corp., DMCI Masbate Corp., DMCI, MPIC Water Company Inc., Maynilad Water Services, Inc., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem-Calaca Res Corp., Sem-Cal Industrial Park Developers, Inc., Dacon Corp., DFC Holdings, Inc., Beta Electric Corp. **Education.** Bachelor of Science in Engineering (University of the Philippines), Master of Business Economics (Center for Research and Communication), Master of Business Management (Asian Institute of Management), Advanced Management (IESE School, Barcelona, Spain). **Civic Affiliations.** Philippine Overseas Construction Board, *Chairman* Construction Industry Authority of the Philippines, *Board Member*, Philippine Constructors Association, *Past President*, Philippine Chamber of Coal Mines, *Past President*, Asian Institute of Management Alumni Association, *Member*, UP Alumni Engineers, *Member*, UP Aces Alumni Association, *Member*.

Jorge A. Consunji – is 69 years old; has served the Corporation as a regular director for twenty five (25) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corp.; **(Non-listed)** D.M. Consunji Inc., DMCI Project Developers, Inc., DMCI Mining Corp., DMCI Power Corp., DMCI Masbate Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., DMCI-MPIC Water Company Inc., Maynilad Water Services, Inc., Dacon Corp., DFC Holdings, Inc., Beta Electric Corporation, Wire Rope Corporation, Private Infra Dev Corp. **Education.** Bachelor of Science in Industrial Engineering (De La Salle University), Master in Business Economics (University of Asia and the Pacific), Advanced Management Program (University of Asia and the Pacific). **Civic Affiliations.** Construction Industry Authority of the Phils, *Board Member*, Asean Constructors Federation, *Former Chairman*, Phil. Constructors Association, *Past President/Chairman*, Phil. Contractors Accreditation Board, *Former Chairman*, Association of Carriers & Equipment Lessors, *Past President*.

Ma. Edwina C. Laperal - is 60 years old; has served the Corporation as a regular director from March 1995 to July 2006 and from July 2008 to present; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corporation; **(Non-listed)** D.M. Consunji, Inc., DMCI Project Developers, Inc., Dacon Corporation, DMCI Urban Property Developers, Inc, Sem-Calaca Power Corp., Dacon Corp., DFC Holdings, Inc. **Education.** BS Architecture (University of the Philippines), Masters in Business Administration (University of the Philippines). **Civic Affiliations.** UP College of Architecture Alumni

⁶ There is currently one vacant board seat in the Corporation. The Corporation received only seven nominees for regular directors and two nominees for independent directors, or a total of nine (9) nominees. Two board seats shall be vacant after the annual meeting.

Foundation Inc., *Member*, United Architects of the Philippines, *Member*, Society of Industrial-Residential-Commercial Realty Organizations, *Member*, Institute of Corporate Directors, *Fellow*.

Alfredo R. Austria, 64, Filipino, is a Director, President and Chief Operating Officer of the Company. He is a graduate of B.S. Civil Engineering, Cum Laude, at the University of the Philippines. He is a licensed Civil Engineer and placed 2nd at the Philippine Civil Engineering Board Exam. He also obtained his Master in Business Administration from the University of the Philippines. He has held various positions in different construction companies domestically and internationally. He is a member of the Philippine Institute of Civil Engineers - Manila Chapter.

Adrian Crisanto Calimbas, 54, Filipino, is Director of the Company since August 5, 2021. He is also the Senior Vice President for Design and Engineering, Construction and Asset Disposal since December 2019. He joined the company in 2001 and held various positions from Project In Charge to Vice President for Design and Engineering. Prior to this, he was a Civil Engineer at DM Consunji Inc for twelve years. He is a graduate of Bachelor of Science in Civil Engineering from University of Sto. Tomas. He is also a member of the Philippine Institute of Civil Engineers.

Herbert M. Consunji is 69 years old. He has served as regular director of DMCI Holdings, Inc. for twenty five (25) years since March 1995. He is also a regular Director of the following: (*Listed*) Semirara Mining and Power Corporation; (*Non-listed*) D.M. Consunji, Inc., Subic Water and Sewerage Company, Inc., DMCI Mining Corp., Sem-Calaca Res Corporation, DMCI Power Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem-Cal Industrial Park Developers, Inc. *Education*. Top Management Program, Asian Institute of Management; Bachelor of Science in Commerce, Major in Accounting (De La Salle University), Certified Public Accountant (CPA). *Civic Affiliations*. Philippine Institute of Certified Public Accountants, *Member*.

Ma. Cristina C. Gotianun is 67 years old. She has been the Assistant Treasurer of DMCI Holdings, Inc. for twenty three (23) years; she is a regular director the following positions: (*Listed*) Semirara Mining and Power Corporation; (*Non-listed*) Dacon Corporation, D.M. Consunji, Inc., DMCI Power Corporation, Sem-Calaca Power Corporation., Southwest Luzon Power Generation Corp., Sem-Cal Industrial Park Development Corporation, St. Rapahael Power Generation Corp., Semirara-Energy Utilities, Inc., Semirara Claystone, Inc., and Sem-Calaca Res Corp. **Education** She is a graduate of Bachelor of Science Major in Business Economics at the University of the Philippines. She acquired special studies in Top Management Program at Asian Institute of Management (AIM). She finished Strategic Business Economic Program at University of Asia and Pacific. She is a Fellow of the Institute of Corporate Directors. **Affiliation**

B. INDEPENDENT DIRECTORS

Honorio O. Reyes-Lao, 77 years old, is an Independent Director of the Company. He has served the Corporation as an Independent Director for more than three years since July 2016. He is currently an independent director of DMCI Holdings, Inc., an independent director of Semirara Mining and Power Corporation, and is also a director of Philippine Business Bank (*Listed*); An independent director of Sem-Calaca Power Corporation and South West Luzon Power Generation Corporation (*Non-Listed*). **Non-Listed (Past Positions)** Gold Venture Lease and Management Services Inc. (2008-2009), First Sovereign Asset Management Corporation (2004-2006, CBC Forex Corporation (1998-2002) , CBC Insurance Brokers,

Inc. (1998-2004), CBC Properties and Computers Center, Inc. (1993-2006). He obtained his Bachelor of Arts degree, Major in Economics and his Bachelor of Science in Commerce, Major in Accounting from De La Salle University. He obtained his Masters Degree in Business Management from the Asian Institute of Management. His current civic affiliations include the Institute of Corporate Directors, *Fellow*, Rotary Club of Makati West, *Member/Treasurer*, Makati Chamber of Commerce and Industries, *Past President*.

Francisco F. Del Rosario, Jr., 74, is an Independent Director of the Company. He is also an Independent Director of Metrobank and Philab Industries, Inc., a Director of Mapfre Insular Insurance Corp. and Ompipay Inc., a Cabinet Member of Habitat for Humanity Philippines, and a Trustee of ABS-CBN Foundation Inc. Mr. del Rosario is a graduate of B.S. Commerce major in Accounting and Bachelor of Arts Major in Economics from De La Salle College. He also obtained his Master in Business Management from the Asian Institute of Management. He is also a candidate for Doctoral Program in Business Administration from De La Salle University Professional Schools, Inc.

MANAGEMENT REPORT

INCORPORATED HEREIN ARE THE FOLLOWING FINANCIAL STATEMENTS OF DMCI PROJECT DEVELOPERS, INC (" The Company") :

(A) Interim Financial Statement for the period ended March 31, 2022 and March 31, 2021

(B) Audited Financial Statements for the years ended December 31, 2021 and December 31, 2020

I. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE -
There has been no change or disagreements with certifying accountants.

II. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

(A) THREE MONTHS PERIOD ENDED MARCH 31, 2022 VS MARCH 31, 2021

(In millions PHP)	For the quarter March 31		Variance	
	2022	2021	In Php	In %
REVENUE				
Real estate sales	5,766	6,768	(1,002)	-15%
Contractor's revenue	102	30	72	242%
Hotel services	2	(0)	2	-2796%
Property management services	58	52	6	12%
Elevator and maintenance services	21	23	(2)	-10%
	5,949	6,873	(924)	-13%
COSTS				
Real estate sales	3,847	4,654	(807)	-17%
Contractor's revenue	94	28	66	242%
Hotel services	1	1	0	59%
Property management services	25	23	2	8%
Elevator and maintenance services	16	13	3	21%
	3,983	4,718	(735)	-16%
GROSS PROFIT	1,966	2,154	(189)	-9%
GENERAL AND ADMINISTRATIVE EXPENSES	675	550	125	23%
OTHER INCOME				
Finance Income	80	89	(10)	-11%
Finance costs	(17)	(17)	1	-3%
Equity in net earnings	25	10	15	150%
Other Income	543	442	101	23%
	632	524	107	20%
INCOME BEFORE INCOME TAX	1,922	2,128	(206)	-10%
PROVISION FOR INCOME TAX	477	532	(55)	-10%
NET INCOME	1,445	1,596	(151)	-9%

<i>(In millions Php)</i>	March 2022	Dec 2021	Variance	
			In Php	In %
Selected Balance Sheet Data				
Cash and cash equivalent	3,918	4,472	(554)	-12%
Real estate inventories	42,052	41,236	815	2%
Accounts Receivables	29,319	27,986	1,333	5%
Other Assets	8,441	8,351	90	1%
Total Assets	83,729	82,046	1,684	2%
Loans payable - current	5,349	5,710	(361)	-6%
Loans Payable - noncurrent	28,381	26,924	1,457	5%
Accounts and other payables	21,718	22,176	(458)	-2%
Total Liabilities	55,449	54,811	638	1%
Attributable to equity holders of the Parent Company				
DMCI-PDI	28,198	27,153	1,045	4%
Non-controlling interests	82	81	0	0%
Total Equity	28,280	27,235	1,045	4%

Results of Operations

The Company's net income fell by 9% from ₱1,596 million for the first quarter of 2021 to ₱1,445 million in 2022. Revenues declined by 13% from ₱6.87 billion to ₱5.95 billion mainly due to higher sales cancellations this year and lower downpayment recognition from new qualified accounts. Consequently, gross profit improved from 31% to 33% owing to higher selling prices of projects that qualified for sales recognition and tighter cost management.

Operating expenses increased by 23% from ₱550 million to ₱675 million due to higher taxes & licenses, sales incentives and software licenses and cloud storage expenses.

Other Income and equity in net earnings climbed to ₱569 million, a 26% increase from last year ₱452 million due to higher income from forfeitures.

Sales reservations in the first three months rebounded by 35% from ₱6.03 billion to ₱8.13 billion. Sold parking units trended higher than residential units at 35% from 653 to 881 while residential units recovered by 28% from 893 to 1,145. Average selling price (ASP) of units sold rose by 4% from ₱112,000 to ₱117,000 per square meter. On a per unit basis, it improved by 5% from ₱6.21 million to ₱6.52 million.

As of March 31, 2022, the company launched one project in Quezon City, The Erin Heights. It has 1,614 residential units, with projected total sales revenue of ₱12.24 billion.

Financial Condition

The Company's total assets increased by 2% from ₱82.05 billion to ₱83.73 billion due to 5% increase in receivables and 2% increase in inventories.

Total liabilities increased from ₱54.81 billion to ₱55.45 billion brought about by additional loan availed this quarter.

Total borrowings registered at ₱33.73 billion. Debt to equity is at 1.96:1, while current ratio is at 3.53:1, both showed improvement compared last year.

Return of equity was at 5.22% and return of assets at 1.74%.

Capital Expenditures

The Company spent a total of P3.3 Billion on capital expenditures for the first quarter of 2022. 96% was spent on residential projects, 3% on land acquisition and 1% for equipments.

The Company shall continue to provide best-in-class residential units in urban friendly, serviced communities, targeting upper mid-income individuals and families not only in Metro Manila but also throughout the Philippines.

For the year 2022, the Company plans to launch new projects located in Metro Manila and Laguna. These new projects, comprising of Midrise and High Rise developments will generate an estimated sales revenue of 84Billion. Funding for the development costs of these projects will come from internally generated cash and term loan from creditors.

Any Known Events, Trends or Uncertainties (material impact on liquidity)

Economic and infrastructure developments in the country may affect construction business; Interest rate movements may affect the performance of the real estate industry. The COVID-19 containment measures and emergency powers declared by the Philippine government have resulted in work disruptions, lower demand and the extension on payment due dates in real estate industry.

Event that will trigger direct or contingent financial obligations

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

All material off balance sheet transactions, arrangements, obligations, (including contingent obligations) and other relationships of the Company with unconsolidated entities or other person created during the period – NONE

Any known trends, events of uncertainties (material impact on sales)

The pandemic imposes an impact on sales due to the potential decline in confidence of buyers to commit to large purchases such as residential units as well as a possible decline in sales to foreign investors.

We are unable to determine at this time the full effect of the COVID-19 pandemic on our consolidated financial position, performance and cash flows given the country's gradual transition to the new normal. We will continue to monitor, assess and adapt to the situation as it stabilizes.

Causes for any material changes (+/- 5% or more) in the Financial Statements

Income Statement items – For 3 months ended March 31, 2022 and 2021

Real estate revenue declined by 15% from ₱6.77 billion to ₱5.77 billion mainly due to higher sales cancellations this year and lower downpayment recognition from new qualified accounts.

Contractor revenue increased by 242% due to higher construction accomplishment this quarter.

Hotel services increased due to re-opening of hotel services this year compared last year same quarter

Property management increased by 12% due to increase in management fee for RFO projects

Elevator maintenance decreased by 10% due to timing difference of revenue recognition for the quarter

Cost of sales decreased by 16% mainly due to lower sales revenue for the quarter and tighter cost management.

Operating expenses increased by 23% from ₱550 million to ₱675 million due to higher taxes & licenses, sales incentives and software licenses and cloud storage expenses

Finance Income decreased by 11% driven by lower yield and lower short term investments.

Equity in net earnings increased by 150% mainly due to higher contribution of Subic Waters, RLC DMCI Property Ventures, Inc. (RDPVI) and Celebrity Sports.

Other Income climbed to ₱543 million, a 23% increase from last year due to higher income from forfeitures.

Balance Sheet items – As of March 31, 2022 vs December 2021

Cash and cash equivalent decreased by 12% mainly due to CAPEX incurred offset by net cash inflow from operations.

Receivables decreased by 40% due to increased in collections from buyers.

Contract Assets increased by 14% due to additional revenue recognized this year.

Customers deposits and Contract liabilities decreased by 13% mainly due to realization of revenues and receivables for the quarter.

Liabilities for purchased land increased by 17% due to additional land acquisition for the quarter

Deferred tax liabilities increased by 9% due to timing difference between tax and book basis of accounting for real estate transactions.

Any significant Elements of Income or Loss

The operating activities of the Company are carried uniformly over the calendar year. There are no significant elements of income or loss that did not arise from the Company's continuing operations.

Seasonal Aspects that has material Effect on the FS

There are also no seasonal aspects affecting the Company's financial condition and results of operations.

PERFORMANCE INDICATORS

Financial Data	March 2022	March 2021
Gross Revenues	₱5.95 billion	₱6.87 billion
EBIT	1.86 billion	2.06 billion
EBITDA	1.97 billion	2.19 billion
Net Income	1.45 billion	1.60 billion
Earnings per share	0.414	0.458
Current ratio	3.53:1	3.34:1
Debt-to-equity ratio	1.96:1	2.20:1
Asset-to equity ratio	2.96:1	3.20:1
Return on Assets	1.74%	2.07%
Return on Equity	5.22%	6.74%
Solvency Ratio	0.03:1	0.03:1
Interest Coverage Ratio	4.49:1	6.05:1
Debt Service Coverage Ratio	0.60:1	0.76:1

B. Audited Financial Statements for the years ended December 31, 2021 and December 31, 2020

(In millions PHP)	Years Ended December 31		Variance	
	2021	2020	In Php	In %
REVENUE				
Real estate sales	24,102	15,854	8,248	52%
Contractor's revenue	237	119	118	99%
Hotel services	2	20	(18)	-90%
Property management services	225	205	20	10%
Elevator and maintenance services	92	69	22	32%
	24,657	16,267	8,390	52%
COSTS				
Real estate sales	17,278	12,845	4,433	35%
Contractor's revenue	218	109	108	99%
Hotel services	3	24	(20)	-85%
Property management services	104	90	14	16%
Elevator and maintenance services	67	52	14	27%
	17,670	13,121	4,550	35%
GROSS PROFIT	6,987	3,146	3,840	122%
GENERAL AND ADMINISTRATIVE EXPENSES	2,414	2,172	242	11%
OTHER INCOME				
Finance Income	341	363	(21)	-6%
Finance costs	(118)	(46)	(71)	154%
Equity in net earnings	45	32	14	43%
Other Income	1,239	742	497	67%
	1,508	1,090	418	38%
INCOME BEFORE INCOME TAX	6,081	2,064	4,016	195%
PROVISION FOR INCOME TAX	892	658	234	36%
NET INCOME	5,189	1,407	3,782	269%

(In millions Php)	Years Ended December 31		Variance	
	2021	2020	In Php	In %
Selected Balance Sheet Data				
Cash and cash equivalent	4,472	4,766	(294)	-6%
Real estate inventories	41,236	40,915	322	1%
Accounts Receivables	27,986	21,752	6,234	29%
Other Assets	8,351	8,414	(63)	-1%
Total Assets	82,046	75,847	6,199	8%
Loans payable - current	5,710	2,832	2,878	102%
Loans Payable - noncurrent	26,924	25,483	1,442	6%
Accounts and other payables	22,176	24,379	(2,203)	-9%
Total Liabilities	54,811	52,694	2,116	4%
Attributable to equity holders of the Parent Company				
DMCI-PDI	27,153	23,072	4,082	18%
Non-controlling interests	81	81	0	0%
Total Equity	27,235	23,153	4,082	18%

Results of Operations

The Company's net income jumped high at 269% from ₱1,407 million for the whole year of 2020 to ₱5,189 million in 2021. Excluding the nonrecurring income of ₱640 million from remeasurement of its deferred tax liabilities because of CREATE Act and one-time gain on sale of land, the company posted ₱4,540 million core net income for the year.

Revenues increased by 52% from Php 16.27 billion to a record high of Php 24.66 billion because of higher construction accomplishments and uptick in new accounts that qualified for revenue recognition

Gross margin improved from 19% to 28% following the normalization of dress-up costs for ready-for-occupancy (RFO) units.

Operating expenses rose by 11% from Php 2.17 billion to Php 2.41 billion on higher manpower costs, association dues and utilities from unsold RFO units, taxes and licenses.

Other income and equity in net earnings, spiked by 66% from Php 773 million to Php 1,284 million because of unit cancellations, forfeitures and rental income.

Sales and reservations slipped by 3% from 5,353 to 5,180 residential units and parking slots following 9% sales slowdown in residential units (2,959 vs 3,267) and a 6% upswing in parking slots sold (2,221 vs 2,086). This translated to a flattish total sales value of ₱19.65 billion from ₱19.58 billion in 2020. The slowdown is largely attributable to slow demand recovery, strict mortgage lending and restricted mobility in NCR and other key areas. Cushioning the sales decline is the 10% increase in average selling price, which improved from ₱5.5 million to ₱6.0 million.

From two projects in 2020, DMCI Homes was only able to launch one amid the pandemic. The company launched 2,508 residential units, 12 percent higher than the 2,247 units launched in 2020. Projected total sales revenue is at ₱16 billion, a 7-percent higher year-on-year from ₱15 billion. Projects launched this year is The Oriana in Quezon City.

Financial Condition

The Company's total assets stood at ₱82.05 billion as of December 2021, 8% higher than ₱75.85 billion in December 2020. This is attributable to the increase in Receivables and Investments.

Accounts Receivables decreased is due to increased in collections resulting from the gradual ease up of community quarantine and the end of Bayanihan Act imposed last year.

Contract Assets increased by 62% due to additional revenue recognitions for the year.

Investment in associates and joint ventures rose by 12% due to additional investment made for a new joint venture agreement with DMC Urban Property Developers, Inc.

Total liabilities increased from ₱52.69 billion to ₱54.81 billion brought about by ₱4.30 billion net additional loan availed by the Company for the year.

Total borrowings registered at ₱32.63 billion. Debt to equity is at 2.01:1, while current ratio is at 3.17:1

Return of equity was at 20.66% and return of assets at 6.57%.

Capital Expenditures

The Company spent a total of P15.76 Billion on capital expenditures for 2021. 90% was spent on residential projects, 8% on land acquisition and 2% for equipments.

The Company shall continue to provide best-in-class residential units in urban friendly, serviced communities, targeting upper mid-income individuals and families not only in Metro Manila but also throughout the Philippines.

The Company launched one project in 2021 as against two the prior year. The slowdown was due to the combined effect of sluggish demand, substantial inventory and delayed permit issuance. Located in Quezon City, The Oriana has residential units with estimated sales revenue of ₱16.1 billion, 7% higher than ₱15.1 billion last year.

Any Known Events, Trends or Uncertainties (material impact on liquidity)

Economic and infrastructure developments in the country may affect construction business; Interest rate movements may affect the performance of the real estate industry. The COVID-19 containment measures and emergency powers declared by the Philippine government have resulted in work disruptions, lower demand and the extension on payment due dates in real estate industry.

Event that will trigger direct or contingent financial obligations

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

All material off balance sheet transactions, arrangements, obligations, (including contingent obligations) and other relationships of the Company with unconsolidated entities or other person created during the period – NONE

Any known trends, events of uncertainties (material impact on sales)

The pandemic imposes an impact on sales due to the potential decline in confidence of buyers to commit to large purchases such as residential units as well as a possible decline in sales to foreign investors. We are unable to determine at this time the full effect of the COVID-19 pandemic on our consolidated financial position, performance and cash flows given the country's gradual transition to the new normal. We will continue to monitor, assess and adapt to the situation as it stabilizes.

Causes for any material changes (+/- 5% or more) in the Financial Statements

Income Statement items – For the year ended December 31, 2021 and 2020

Revenues increased by 52% driven by higher construction accomplishments and uptick in new accounts that qualified for revenue recognition

Contractor revenue increased by 99% due to higher construction accomplishment this year.

Hotel services plunged by 90% as the island was closed to tourists for most part of the year

Property management grew by 10% following the increase in RFO projects and upward rate adjustment to cover additional manpower deployment.

Elevator maintenance improved by 32% due to increase in spare parts sale and increase in new contracts from the year.

Cost of sales increased by 35% as a result of higher sales revenue recognized for the year, although it advanced at slower pace in relation to revenues due to absence of dress up cost this year for units completed in prior years. Beginning 2020, the Company started to dress up all units at RFO date regardless of clearance status of unit owners.

Operating expenses rose by 11% from Php 2.17 billion to Php 2.41 billion on higher manpower costs, association dues and utilities from unsold RFO units, taxes and licenses.

Finance Income decreased by 6% due to lower yield and lower short term investment this year.

Finance cost increased by 154% mainly due to decreased in capitalization rate which is based on Construction in Progress and RFO recognized for the year.

Equity in net earnings increased by 43% due to higher contribution of RLC DMCI Property Ventures, Inc (RDPVI)

Other income spiked by 67% due to unit cancellations, forfeitures and rental income.

Balance Sheet items – As of December 2021 vs 2020

Cash and cash equivalent decreased by 6% mainly due to payment of CAPEX offset by net cash inflow from operations.

Accounts Receivables decreased by 37% mainly due to increased in collections resulting from the gradual ease up of community quarantine and the end of Bayanihan Act imposed last year.

Contract Assets increased by 62% due to additional revenue recognitions for the year.

Investment in associates and joint ventures rose by 12% due to additional investment made for a new joint venture agreement with DMC Urban Property Developers, Inc.

Decreased of Property Plant and Equipment by 11% is due to depreciation expense for the period.

Deferred tax assets increased by 12% coming from accrued expenses.

Accounts and other payables decreased by 8% due to payments of accounts payable and accrued operating expenses and lower interest payable and other accrued expenses.

Loans payable increased by 15% due to additional loan availment for the year.

Customers deposits and Contract liabilities decreased by 12% mainly due to realization of revenues and receivables for the year.

Liabilities for purchased land decreased by 22% due to payments of liabilities to landowners.

Income tax payable decreased by 99% due to lower tax rate because of CREATE Act

Pension liability decreased by 39% mainly due to change in actuarial assumptions

Deferred tax liabilities increased by 8% due to timing difference between tax and book basis of accounting for real estate transactions.

Other noncurrent liability decreased by 8% due to higher commission payout for the year

Any significant Elements of Income or Loss

The operating activities of the Company are carried uniformly over the calendar year. There are no significant elements of income or loss that did not arise from the Company's continuing operations.

Seasonal Aspects that has material Effect on the FS

There are also no seasonal aspects affecting the Company's financial condition and results of operations.

Performance Indicators

Financial Data	December 2021	December 2020
Gross Revenues	₱24.66 billion	₱16.27 billion
EBIT	5.86 billion	1.75 billion
EBITDA	6.32 billion	2.19 billion
Net Income	5.19 billion	1.41 billion
Earnings per share	1.488	0.403
Current ratio	3.17:1	3.34:1
Debt-to-equity ratio	2.01:1	2.28:1
Asset-to equity ratio	3.01:1	3.28:1
Return on Assets	6.57%	1.92%
Return on Equity	20.66%	6.11%
Solvency Ratio	0.10:1	0.04:1
Interest Coverage Ratio	3.84:1	1.18:1
Debt Service Coverage Ratio	0.83:1	0.18:1

(B) FULL YEAR PERIOD AS OF DECEMBER 31, 2020 VS DECEMBER 31, 2019

(In millions PHP)	Years Ended December 31		Variance	
	2020	2019	In Php	In %
REVENUE				
Real estate sales	15,854	18,074	(2,220)	-12%
Contractor's revenue	119	-	119	
Hotel services	20	256	(236)	-92%
Property management services	205	190	15	8%
Elevator and maintenance services	69	67	2	3%
	16,267	18,587	(2,320)	-12%
COSTS				
Real estate sales	12,845	12,950	(105)	-1%
Contractor's revenue	109	-	109	
Hotel services	24	140	(116)	-83%
Property management services	90	80	11	13%
Elevator and maintenance services	52	37	15	41%
	13,121	13,206	(86)	-1%
GROSS PROFIT	3,146	5,380	(2,234)	-42%
GENERAL AND ADMINISTRATIVE EXPENSES	2,172	2,428	(256)	-11%
OTHER INCOME				
Finance Income	363	464	(101)	-22%
Finance costs	(46)	(133)	86	-65%
Equity in net earnings	32	58	(26)	-45%
Other Income	742	1,118	(376)	-34%
	1,090	1,507	(417)	-28%
INCOME BEFORE INCOME TAX	2,064	4,460	(2,395)	-54%
PROVISION FOR INCOME TAX	658	1,365	(707)	-52%
NET INCOME	1,407	3,095	(1,688)	-55%

(In millions Php)	Years Ended December 31		Variance	
	2020	2019	In Php	In %
Selected Balance Sheet Data				
Cash and cash equivalent	4,766	5,897	(1,131)	-19%
Real estate inventories	40,915	36,901	4,013	11%
Accounts Receivables	21,752	20,197	1,555	8%
Other Assets	8,414	8,071	344	4%
Total Assets	75,847	71,066	4,781	7%
Loans payable - current	2,832	8,262	(5,430)	-66%
Loans Payable - noncurrent	25,483	17,524	7,958	45%
Accounts and other payables	24,379	22,182	2,197	10%
Total Liabilities	52,694	47,968	4,726	10%
Attributable to equity holders of the Parent Company				
DMCI-PDI	23,072	22,998	74	0%
Non-controlling interests	81	100	(18)	-18%
Total Equity	23,153	23,098	55	0%

Results of Operations

The Company's full year net income fell by 55% from ₱3.09 billion in 2019 to ₱1.41 billion in 2020. Excluding the nonrecurring loss from the sales cancellations of Verdon Parc in Davao and one-time gain on sale of land, the company's core net income amounted to ₱1.97 billion, a 36% slide from last year.

Sales and reservations slid to 5,353 residential units and parking slots, a 50% decline from 10,628 in 2019. This translated to a total sales value of ₱19.6 billion, which is 47% lower year-on-year. The slowdown is due to the combined effect of market softening, lower project launches and migration of sales activities to online channels brought by the pandemic. Cushioning the sales decline is the 4% increase in average selling price, which improved from ₱5.3 million to ₱5.5 million.

Revenues for the year slid by 12% from ₱18.59 billion last year to ₱16.27 billion this year. The slowdown is brought about by lower construction accomplishments and delay in collections resulting from suspension of non-essential business operations in the first half of the year and Bayanihan law. Sales cancellation from Verdon Parc in Davao further dragged down revenue for the year. Further to the decline of revenues, lower margins due to higher construction costs related to the dress-up of units completed and recognized in prior years.

From four projects in 2019, DMCI Homes was only able to launch two amid the pandemic because of the suspension of non-essential work in the first semester and staggered work arrangement in government offices after the lockdowns. Securing permits for projects outside Metro Manila was also hampered by COVID-19 travel protocols. The company launched 2,247 residential units, 65 percent lower than the 6,367 units launched in 2019. Projected total sales revenue is at ₱15 billion, a 64-percent decline year-on-year from ₱42 billion.

Finance income decreased by 22% from ₱463.77 million to ₱362.69 million in 2020 mainly due to lesser income earned from money market placements as a result of lower rates on short term time deposits for the year.

34% decrease in other income is mainly due to decrease in income from forfeitures on sales cancellations and decrease in penalty charges.

Financial Condition

The Company's total assets increased by 7% from ₱71.07 billion to ₱75.85 billion. This is attributable to the increase in Real Estate Inventories and Receivables.

11% increase in Real Estate Inventories is mainly due to new land acquisitions and development costs of ongoing projects.

Accounts Receivables increased by 8% due to lower collections due to Bayanihan Act moratorium.

19% increase in Property Plant and Equipment is due to additional purchases of construction equipments and formworks.

Total liabilities increased from ₱47.97 billion to ₱52.69 billion brought about by ₱3.00 billion net additional loan availed by the Company for the year.

34% increased in Trade Payables is mainly due to accrual of project costs and dividends payable.

Advance collection received from customers compared to actual construction accomplishment also contributed to the increase in Customers Deposit and Contract Liabilities of 8%.

Total borrowings registered at ₱28.31 billion. Debt to equity is at 2.28:1, while current ratio is at 3.34:1

Return of equity was at 6.11% and return of assets at 1.92%.

Capital Expenditures

The Company spent a total of ₱14.42 billion on capital expenditures for 2020. 76% was spent on residential projects, 20% on land acquisition and 4% for equipments.

The Company shall continue to provide best-in-class residential units in urban friendly, serviced communities, targeting upper mid-income individuals and families not only in Metro Manila but also throughout the Philippines.

The Company was only able to launch two amid the pandemic because of the suspension of non-essential work in the first semester and staggard work arrangement in government offices. Located in Acacia Estate in Taguig City, Alder Residences was launched in August while Camden Place in Manila was launched in November. The 2 projects have 2,247 residential units with projected sales revenue of ₱15 billion.

Any Known Events, Trends or Uncertainties (material impact on liquidity)

Economic and infrastructure developments in the country may affect construction business; Interest rate movements may affect the performance of the real estate industry. The COVID-19 containment measures and emergency powers declared by the Philippine government have resulted in work disruptions, lower demand and the extension on payment due dates in real estate industry.

Event that will trigger direct or contingent financial obligations

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

All material off balance sheet transactions, arrangements, obligations, (including contingent obligations) and other relationships of the Company with unconsolidated entities or other person created during the period – NONE

Any known trends, events of uncertainties (material impact on sales)

The pandemic imposes an impact on sales due to the potential decline in confidence of buyers to commit to large purchases such as residential units as well as a possible decline in sales to foreign investors.

We are unable to determine at this time the full effect of the COVID-19 pandemic on our consolidated financial position, performance and cash flows given the country's gradual transition to the new normal. We will continue to monitor, assess and adapt to the situation as it stabilizes.

Causes for any material changes (+/- 5% or more) in the Financial Statements

Income Statement items – For the year ended December 31, 2020 and 2019

Revenues for the year slid by 12% due to the slowdown brought about by lower construction accomplishments and delay in collections resulting from suspension of non-essential business operations in the first half of the year and Bayanihan law. Sales cancellation from Verdon Parc in Davao further dragged down revenue for the year.

Contractor revenue pertains to a new contract agreement with RLC DMCI Property Ventures, Inc (RDPVI), PDI as the contractor for the design and construction of a residential condominium project.

Hotel services decreased by 92% as the pandemic forced the island's closure from tourists from mid March until October.

Property management up by 8% mainly due to the increase in RFO projects and upward rate adjustment to cover additional manpower deployment.

Operating expenses decreased by 11% due to lower selling expenses, repairs and maintenance, utilities and other operating expenses.

Finance Income decreased by 22% due to lower yield and lower short term investment this year.

Finance cost decreased by 65% mainly due to increased in capitalization rate which is based on Construction in Progress and RFO recognized for the year.

Equity in net earnings increased by 45% due to lower contribution of Subic Waters, CSPI and RDPVI

34% decrease in other income is mainly due to decrease in income from forfeitures on sales cancellations and decrease in penalty charges.

Balance Sheet items – As of December 2020 vs 2019

Cash and cash equivalent decreased by 19% mainly due to payment of CAPEX offset by net cash inflow from operations.

Accounts Receivables increased by 86% due to lower collections due to Bayanihan Act moratorium.

Contract Assets decreased by 11% due to lower revenue recognitions for the year.

Real estate inventories increased by 11% driven development costs incurred and land acquisitions during the year

18% increase in Property Plant, Equipment and Investment properties is due to additional purchases of construction equipments and formworks.

Deferred tax assets pertains on accrual of pension liability.

34% increased in Trade Payables is mainly due to accrual of project costs and dividends payable.

Advance collection received from customers compared to actual construction accomplishment also contributed to the increase in Customers Deposit and Contract Liabilities of 8%.

Loans payable increased by 10% due to additional loan availment for the year.

Customers deposits and Contract liabilities increased by 8% mainly coming from unrealized revenues from collected receivables.

Liabilities for purchased land increased by 7% due to additional land acquisition for the year.

Pension liabilities increased by 89% mainly due to net increase in benefit obligation over fair value of plan assets.

Income tax payable decreased by 70% due to lower taxable income.

Pension liability decreased by 39% mainly due to change in actuarial assumptions

Other noncurrent liability decreased by 10% due to lower accrual on sales commission payable

Any significant Elements of Income or Loss

The operating activities of the Company are carried uniformly over the calendar year. There are no significant elements of income or loss that did not arise from the Company's continuing operations.

Seasonal Aspects that has material Effect on the FS

There are also no seasonal aspects affecting the Company's financial condition and results of operations.

Performance Indicators

Financial Data	December 2020	December 2019
Gross Revenues	₱16.27 billion	₱18.59 billion
EBIT	1.75 billion	4.13 billion
EBITDA	2.19 billion	4.42 billion
Net Income	1.41 billion	3.09 billion
Earnings per share	0.403	0.885
Current ratio	3.34:1	2.83:1
Debt-to-equity ratio	2.28:1	2.08:1
Asset-to equity ratio	3.28:1	3.08:1
Return on Assets	1.92%	4.73%
Return on Equity	6.11%	13.92%
Solvency Ratio	0.04:1	0.07:1
Interest Coverage Ratio	1.18:1	3.13:1
Debt Service Coverage Ratio	0.18:1	1.28:1

(C) FULL YEAR PERIOD DECEMBER 31, 2019 VS DECEMBER 31, 2018

(In millions PHP)	Years Ended December 31		Variance	
	2019	2018	In Php	In %
REVENUE				
Real estate sales	18,074	20,237	(2,163)	-11%
Contractor's revenue	-	-	-	
Hotel services	256	143	113	79%
Property management services	190	134	56	41%
Elevator and maintenance services	67	57	10	19%
	18,587	20,571	(1,984)	-10%
COSTS				
Real estate sales	12,950	14,527	(1,577)	-11%
Contractor's revenue	-	-	-	
Hotel services	140	80	59	74%
Property management services	80	67	12	19%
Elevator and maintenance services	37	24	14	58%
	13,206	14,698	(1,491)	-10%
GROSS PROFIT	5,380	5,873	(493)	-8%
GENERAL AND ADMINISTRATIVE EXPENSES	2,428	2,432	(4)	0%
OTHER INCOME				
Finance Income	464	365	99	27%
Finance costs	(133)	(148)	15	-10%
Equity in net earnings	58	60	(2)	-3%
Other Income	1,118	1,976	(857)	-43%
	1,507	2,252	(745)	-33%
INCOME BEFORE INCOME TAX	4,460	5,693	(1,234)	-22%
PROVISION FOR INCOME TAX	1,365	1,730	(365)	-21%
NET INCOME	3,095	3,964	(869)	-22%

<i>(In millions Php)</i>	Years Ended December 31		Variance	
	2019	2018	In Php	In %
Selected Balance Sheet Data				
Cash and cash equivalent	5,897	6,176	(279)	-5%
Real estate inventories	36,901	29,430	7,472	25%
Accounts Receivables	20,197	17,666	2,531	14%
Other Assets	8,071	6,649	1,422	21%
Total Assets	71,066	59,921	11,145	19%
Loans payable - current	8,262	1,787	6,475	362%
Loans Payable - noncurrent	17,524	16,984	540	3%
Accounts and other payables	22,182	19,712	2,470	13%
Total Liabilities	47,968	38,483	9,485	25%
Attributable to equity holders of the Parent Company				
DMCI-PDI	22,998	21,338	1,660	8%
Non-controlling interests	100	99	1	1%
Total Equity	23,098	21,437	1,660	8%

Results of Operations

The Company's net income amounted to ₱3,095 million for year ended December 31, 2019, resulting to 22% decrease from ₱3,963 million in 2018. Excluding the one-time gain on sale of land in 2018, the company's core income declined by 5% .

The Company registered 10,628 residential units and parking slots in sales and reservations, 26% decrease from 14,334 units and parking slots sold in the previous year. Value of sales and reservations for the period was reported at Php36.67 billion, resulting to a decline of 15% from last year mainly due to the timing of project launches. Average selling price per unit increased this year by 18% amounting to Php5.32 million from Php4.52 million last year

Realized revenues slipped by 9% from ₱20.5billion to ₱18.6billion in 2019 due to lower construction accomplishments for the period. Meanwhile, total costs and operating expenses decline at a slower pace of 9% from P17.1Billion to P15.6billion in 2019.

In all, the Company launched 6,367 residential units this year, 22% higher than the 5,200 launched units in the previous year. Total sales revenue from these new projects is estimated at Php42 billion. Projects launched this year are Cameron Residences and The Crestmont in Quezon City, Allegra Garden Place in Pasig and Sonora Garden Residences in Las pinas which is a joint venture project with Robinsons Land Corporation.

Other income (net of expense) decreased by 34% from ₱2,252 million to ₱1,507 million in 2019. Aside from the recognized one time gain on sale of undeveloped land this year, finance income and income from sales cancellation also contributed to the increase this year.

Financial Condition

The Company's total assets stood at ₱71.1 billion as of December 31, 2019, 18% higher than the ₱59.9 billion total assets as of December 31, 2018.

Cash and cash equivalents slightly decreased by 5% due to 33% increase in capital expenditures.

Receivables and contract asset increased by 14% due to additional revenue recognized this year.

Real estate held for sale jumped by 25% from ₱29,430 million to ₱36,910 million due to development costs incurred and land acquisitions during the year.

Fixed Assets increased by 22% mainly because of additional purchases of construction equipment.

Other assets increased by 12% is due to investment in Joint Venture with Robinsons Land and the impact of PFRS 15 to which the standards require to capitalize sales commission after signing of sales contracts.

Accounts and other payable grew by 26% due to accrual on project cost and interest expense.

Customers Deposits and Advances and contract liabilities increased by 19% due to increase in collections of projects with small accomplishments.

Loans payable increased by 37% mainly due to additional ₱9 billion term loan availed in 2019.

Total borrowings registered at ₱25.79 billion. Debt to equity is at 2.08:1, while current ratio is at 2.83:1

Return of equity was at 13.92% and return of assets at 4.73%.

Capital Expenditures

The Company spent a total of ₱19.20 Billion on capital expenditures for 2019. 61% was spent on residential projects, 35% on land acquisition and 4% for equipments.

The Company shall continue to provide best-in-class residential units in urban friendly, serviced communities, targeting upper mid-income individuals and families not only in Metro Manila but also throughout the Philippines.

The Company launched four (4) project in 2019, 2 in Quezon City, 1 in Pasig and 1 in Las Pinas. The project has 6,367 residential units with projected sales revenue of ₱42 billion.

Any Known Events, Trends or Uncertainties (material impact on liquidity)

Economic and infrastructure developments in the country may affect construction business; Interest rate movements may affect the performance of the real estate industry. There are no known trends or uncertainties that has material impact on the Company's liquidity.

Event that will trigger direct or contingent financial obligations

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

All material off balance sheet transactions, arrangements, obligations, (including contingent obligations) and other relationships of the Company with unconsolidated entities or other person created during the period – NONE

Any known trends, events of uncertainties (material impact on sales)

There are no known trends, event or uncertainties that has material impact on sales.

Causes for any material changes (+/- 5% or more) in the Financial Statements

Income Statement items – For the year ended December 31, 2019 and 2018

Realized revenues slipped by 11% due to lower construction accomplishments for the period.

Hotel services increased by 79% owing to its full year operation in 2019 compared to its 6 months operation last 2018 because of Boracay closure.

Property management increased by 41% mainly due to increased in management fee and turnover of RFO projects for the year.

Elevator maintenance grew by 19% due to increase in preventive maintenance contract

Cost of sales decreased by 10% due to lower revenue for the year

Finance Income increased by 27% due to higher short term investment this year.

Finance cost decreased by 10% mainly due to increased in capitalization rate which is based on Construction in Progress and RFO recognized for the year.

Other income decreased by 43% due to sale of land last 2018

Balance Sheet items – As of December 2019 vs 2018

Cash and cash equivalents slightly decreased by 5% due to 33% increase in capital expenditures.

Receivables and contract asset increased by 14% due to additional revenue recognized this year.

Real estate held for sale jumped by 25% due to development costs incurred and land acquisitions during the year.

Fixed Assets increased by 22% mainly because of additional purchases of construction equipment.

Other assets increased by 14% is due to investment in Joint Venture with Robinsons Land and the impact of PFRS 15 to which the standards require to capitalize sales commission after signing of sales contracts.

Accounts and other payable grew by 25% due to accrual on project cost and interest expense.

Customers Deposits and Advances and contract liabilities increased by 19% due to increase in collections of projects with small accomplishments.

Loans payable increased by 37% mainly due to additional ₱9 billion term loan availed in 2019.

Liabilities for purchased land decreased by 5% due to payments of liabilities to landowners.

Income tax payable increased by 62% due to lower tax credits claimed for tax provisions

Pension liability increased due to excess defined obligation over fair value of plan assets.

Other noncurrent liability decreased by 21% due to lower accrual on sales commission payable

Any significant Elements of Income or Loss

The operating activities of the Company are carried uniformly over the calendar year. There are no significant elements of income or loss that did not arise from the Company's continuing operations.

Seasonal Aspects that has material Effect on the FS

There are also no seasonal aspects affecting the Company's financial condition and results of operations.

Performance Indicators

Financial Data	December 2019	December 2018
Gross Revenues	₱18.59 billion	₱20.57 billion
EBIT	4.13 billion	5.48 billion
EBITDA	4.42 billion	5.85 billion
Net Income	3.09 billion	3.96 billion
Earnings per share	0.885	1.13
Current ratio	2.83:1	3.82:1
Debt-to-equity ratio	2.08:1	1.80:1
Asset-to equity ratio	3.08:1	2.80:1
Return on Assets	4.73%	6.99%
Return on Equity	13.92%	20.17%
Solvency Ratio	0.07:1	0.11:1
Interest Coverage Ratio	3.13:1	4.68:1
Debt Service Coverage Ratio	1.28:1	2.04:1

V. EXTERNAL AUDIT FEES

1) Audit and Audit Related Fees

Below are the External Audit Fees of the Company and its subsidiaries for two fiscal years:

	2021	2020
	Fee	Fee
DMCI Project Developers Inc.	3,257,014	3,131,744
PDI Hotels, Inc.	204,512	204,512
DMCI Homes Property Management Corporation	110,880	108,416
Riviera Land Corporation	72,072	72,072
Zenith Mobility Solutions, Inc.	81,682	80,080

- Other assurance and related services by the external auditor that are reasonable related to the performance of the audit review of the Company's financial statements – **NONE**
- Tax Fees – **NONE**
- All other fees – **NONE**

4. The Audit Committee has checked all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements. They have pre-approved all audit plans, scope and frequency one (1) month before the conduct of external audit. The financial statement was then presented to and approved by the Audit Committee and Board of Directors. Payments and fees related to the services by the external auditor were discussed and approved by Audit Committee, Internal Auditor and Accounting group.

VI. FINANCIAL AND OTHER INFORMATION

I. INFORMATION FOR THE REGISTRANT & FOR THE OTHER PERSON

A. DESCRIPTION OF BUSINESS

(1) Business Development

- a) Any Bankruptcy, Receivership, or Similar Proceedings- **NONE**
- b) Any Material Reclassification, Merger, Consolidation or Purchase or Sale of a significant amount of assets (not in the ordinary course of business). -**NONE**

(2) Business of Issuer

- a) Description of the business of the registrant and its subsidiaries

1. As to the Registrant:

DMCI Project Developers, Inc. (the Company or “DMCI Homes”) was incorporated and registered with the SEC on April 27, 1995. The Company’s original name was DMCI Property Developers, Inc. On August 1, 1995, the Company’s name was changed to DMCI Project Developers, Inc. The Company was organized to carry out the business of a real estate developer.

DMCI Homes is wholly-owned subsidiary by DMCI Holdings, Inc.¹, a leading conglomerate in the Philippines with interests in construction, real estate, power, water, and mining. DMCI-HI is listed at the PSE with a market capitalization of 102.37 Billion as of December 31, 2021. One of the Company’s affiliates is D.M. Consunji Inc. (“DMCI”), a DMCI-HI wholly-owned subsidiary and one of the Philippines’ leading triple A rated general construction companies. Another affiliate is PSE-listed and DMCI-HI majority-owned subsidiary Semirara Mining and Power Corporation, the country’s largest coal-producing company, with a market capitalization of ₱90.75 Billion as of December 31, 2021.

The Company’s main activities include the development, management and selling of various real estate properties such as condominium units, subdivision lots, buildings, resorts and others. The Company’s business goal is to provide affordable residential units in urban friendly, serviced communities near places of work, study, and leisure. DMCI Homes endeavors to achieve objectives that advance the proposition of “profit with honor”, namely, to ensure customer satisfaction, sustainable investment growth, mutually beneficial relationships with business partners, environmental compliance, and career development of its people.

The principal product and services of the company are as follows:

Medium-Rise Buildings - The development of mid-rise residential buildings in convenient locations is where the Company has achieved and continues to attain significant success. These low-density, resort-inspired projects are made up of three to seven storey MRBs with either walk-up or elevator facilities, and single-loaded corridor designs with garden atriums for ample lighting and ventilation.

High-Rise Buildings - Combining successful elements of its mid-rise developments with new techniques in construction, the Company's high-rise projects, ranging from 14 to 50 storey each building, possess attributes such as the single-loaded corridor design and garden atrium, while offering design improvements from previous projects, such as the installation of the Company's trademark Lumiventt design in all high-rise structures beginning with the Tivoli project. The Lumiventt building feature is achieved by placing three-storey-high openings called "sky patios" in front and behind HRB towers and through breezeways located on the left and right wings of each floor to allow the free flow of natural light and ventilation. DMCI Homes' high-rise developments are located near business and commercial centers in Metro Manila.

Hybrid - A community built with the resident's welfare in mind. Assembling its successful and iconic mid-rise residential building configuration with picturesque and towering high-rise buildings, DMCI Homes' hybrid developments provide resort-inspired homes to a wide array of clients. Each building configuration offers unique benefits, such as low-density and single-loaded corridor designs with garden atriums for mid-rise buildings, and the innovative Lumiventt design technology for high-rise structures. Every DMCI Homes hybrid development is adorned with lush landscapes and abundant amenities. These communities have developed in different parts of the city.

Residential Subdivisions - For the horizontal development segment of the real estate market, DMCI Homes offers its target market the choice of owning either open lots or house and lot properties. DMCI Homes' subdivisions are located in Taguig City, Cavite (Carmona) and Laguna (Cabuyao). Each development is designed with resort-inspired amenities, lush greenery and wide avenues within safe and secure environments in close proximity to Metro Manila's major business centers.

Residential Leisure - *Alta Vista de Boracay*. Launched in 2007, it is the Company's first venture in leisure development, with 17 MRBs comprised of a total of 503 units, and is located in Brgy. Yapak, Boracay Island in Aklan. This development provides recreational facilities in a premium vacation site offering residential condominium-hotel services. Alta Vista de Boracay represents a significant product and service expansion for the Company. It is a 4-hectare property near Puca Beach on one side and the world-renowned White Beach on the other. Alta Vista de Boracay is the biggest condominium hotel development in the area. All of its operations, marketing, and management are handled by DMCI-PDI Hotels, Inc. The property is fully developed and completed.

Mixed Use/Township Development - *Acacia Estates*. Acacia Estates is a master plan integrating the Company's completed and ongoing projects in Taguig City into a township which provides residential areas, commercial areas, educational facilities, police and fire stations, and places of worship. Envisioned as the flagship development of the Company, this 100-hectare development will integrate mixed-residential communities of HRBs, MRBs, and sprawling subdivisions. Within the development will rise a two-hectare commercial hub catering primarily to residents of the Company's Taguig City projects and their guests.

2. As to the Registrant's Subsidiaries:

Almost all subsidiaries and associates of the Company are involved in the real estate business. The main activities of the Company's subsidiaries and associates are described below in greater detail:

Hampstead Gardens Corp. is a wholly-owned subsidiary of the Company. Its project, the Hampstead Gardens was launched in 2000 and has three MRBs and an HRB located in Sta. Mesa, Manila. This project is fully developed and completed, with 95% of units sold and turned over to homeowners.

DMCI Homes, Inc. was organized primarily to engage in real estate brokerage by means of offering advertising, soliciting, listing, promoting, negotiating purchase, exchange, mortgage, joint venture, or other acquisition or disposition of or encumbrance on, any kind of real estate, whether improved or unimproved, including houses, inns, lodging houses, dwellings, offices, recreation or other structure. DMCI Homes, Inc. has the exclusive right to market the project developments of the Company.

DMCI Homes Property Management Corp. is a wholly-owned subsidiary of the Company providing property management and aftersales services. It also serves to obtain feedback from the Company's buyers and rental tenants in order to provide solutions to property needs, maintain the property, and develop long-term relationships with tenants. DMCI Homes Property Management Corp. has the sole right to render property management and aftersales services to the Company.

DMCI-PDI Hotels, Inc. was organized to engage in the hotel business, including but not limited to the ownership of, establishment, maintenance and operation of hotels, condotels, apartelles, and similar establishments, as well as to engage in the development of, design, and implementation of hotel management systems or operations. DMCI-PDI Hotels, Inc. manages the Company's flagship condotel project, the Alta Vista de Boracay, situated in Brgy. Yapak, Malay, Aklan.

Zenith Mobility Solutions Services, Inc. was organized to engage in the installation, operation, and maintenance of elevators, escalators, moving walkways, and other similar equipment, including appurtenant thereof, and the sourcing, purchase or trading of parts and supplies necessary thereto.

L&I Development Corporation was incorporated to purchase, acquire and develop into a residential condominium project a portion of the parcels of land situated in Quezon City and to operate, manage, sell and/or lease the resulting condominium units and parking spaces therein.

Riviera Land Corp. is a real estate company which owns the 0.90-hectare parcel of land which was developed into the Manors at Celebrity Place. Launched in 2006 and located in Capitol Hills, Quezon City, this development is an English-inspired exclusive community comprising seven MRBs with 158 units. It is located near educational institutions and the country club facilities of Celebrity Sports Plaza. The project is fully developed and completed, with at least 98% of the units sold and 96% turned over to homeowners. Riviera Land Corp. owns a 30% interest in the project, while the Company holds 70.0%.

RLC DMCI Property Ventures, Inc (RDPVI), is a joint venture of the Company with Robinsons Land Corporation (RLC), a subsidiary of JG Summit Holdings, Inc. was incorporated to purchase, acquire and develop into a residential condominium project a portion of the parcels of land situated in Las Piñas City and to operate, manage, sell and/or lease the resulting condominium units and parking spaces therein.

DMC Estate Development Ventures, Inc (DMC EDVI)

CSN Properties, Inc. was organized to be a vehicle for prospective condominium developments of the Company. It has not commenced commercial operations.

Contech Products South (Acotec) was organized to engage in the manufacturing of concrete panels and similar products. It has not commenced commercial operations.

Subic Water and Sewerage Company is a joint venture of the Company with Subic Bay Metropolitan Authority, Olongapo City Water District, and Cascal Services, Ltd. Its primary purpose is to provide potable water and sewerage services to residences of Olongapo City and Subic Bay Freeport.

The Company's subsidiaries and associates and its ownership in these subsidiaries and associates are summarized in the table below.

Company	Ownership	Date of Incorporation
Wholly-Owned Subsidiaries		
Hampstead Gardens Corp.*	100.00%	May 24, 2000
DMCI Homes, Inc.	100.00%	January 7, 1997
DMCI Homes Property Management Corp.	100.00%	July 25, 2007
DMCI-PDI Hotels, Inc.	100.00%	September 2, 2009
Zenith Mobility Solutions Services, Inc	100.00%	December 10, 2014
L&I Development Corporation	100.00%	October 1, 2020
Subsidiaries which are more than 50%-owned		
Riviera Land Corp.	62.62% **	April 17, 1996
RLC-DMCI Property Ventures, Inc.	50.00%	March 18, 2019
DMC Estate Development Ventures Inc.	50.00%	June 4, 2021
Associates		
CSN Properties, Inc.	45.00%	July 17, 1992
Contech Products South (Acotec)	33.00%	September 18, 1997
Subic Water and Sewerage Company	30.00%	November 24, 1996 ***

* The corporate term expired on February 28, 2014.

** Approximate percentage.

*** Date of execution of joint venture agreement.

(3) Percentage of Sales or Revenues and Net Income Contributed by Foreign Sales - Foreign sales contributed 13, 13% and 26% to the Company's total sales by value in the year 2021, 2020 and 2019 respectively.

(4) Distribution Methods of Products and Services-

The Company maintains a network of sales coordinators that assist customers at various project sites during the reservation process. Employees of DMCI Homes advise customers on financing options, documentation requirements, and loan application. Once a unit sold and delivered, the Company's Customer Care Service Team is ready to respond to technical questions and implement solutions when needed.

The Company's marketing research unit is in charge of monitoring and researching on competitor's latest product developments and prices. Likewise, the marketing research unit conducts general research on target markets and undertakes market testing to determine customer preferences and product concept viability.

The Company remains involved in the properties it develops and sells through its property management division, DMCI Homes Property Management Corp., which provides property management and after sales services until such time that the property is turned over to the homeowners, at which point they may choose to retain DMCI Homes Property Management Corp. or switch to a third party property management firm. The property management division is a vehicle for the Company to obtain feedback from its buyers and rental tenants in order to provide solutions to their property needs, maintain the property, and develop long-term relationships with its

tenants. Furthermore, the Property Management Division contributes to enhancing the Company's brand and reputation in the aftersales market.

(5) Status of Publicly-Announced New Product or Service-

(e.g. whether in the planning stage, whether prototype exist), the degree to which the product design has progressed or whether further engineering is necessary. Indicate if completion of development of the product would require material amount of the resources of the registrant, and the estimated amount- **NONE**

(6) Competitive Business Conditions and the Registrant's Competitive Position in the industry and methods of competition-

The country's middle income socio-economic group is emerging as the most promising real estate market, and this has intensified competition in the property development business for that particular market segment. The Company's significant sales growth in the recent years has made it one of the dominant players in the middle income residential market category, and its pioneering construction and development methods specifically in mid-rise developments have been used as model by some competitors due to the success of these concepts.

To leverage against real estate groups positioned in the same market category, DMCI Homes maximizes its investments by drawing on the Company's strengths and resources as both developer and builder, enabling it to offer attractive, even lower prices than direct competition, and produce value for home buyers without adversely affecting its profitability. Aside from offering competitively priced, high quality units, DMCI Homes ensures good property location and on time project completion.

For the same market category, the Company has several direct competitors with varying market strengths. Ayala Land, Inc. for instance, through Avida Land, has been successful due to being one of the first players in the middle market segment. Megaworld Corporation and SM Development Corporation, own the first and the second largest market share in the residential market respectively. Robinson Land Corporation and Cityland Development Corporation both possess a good track record of completed and successful projects to attract business. Vista Land and Lifescapes, Inc. and Filinvest Land, Inc., along with their completed projects in Metro Manila area, have also ensured market presence in other areas with their development in areas such as Davao and Batangas. Rockwell land Corporation focuses in the upper mid income level earners, while Century Properties Group has diverse portfolio of completed projects, ranging from office to medical properties.

(7) Sources and Availability of Raw Materials and Names of Principal Supplier-

The Company's Major Suppliers are as follows:

Supplier	Product
Capitol Steel Corporation Steel Asia Manufacturing Corporation Pag-asa Steel Works, Inc. Filipino Metals Corp	Deformed Round Bar (Rebar)
Republic Cement & Building Materials, Inc. Saturn Cement Marketing Crop	Cement
DM Consunji Inc	Ready Mixed Concrete
KC Electrical Innovation Inc.	Electrical
Supreme Steel Pipe Corp	PVC Pipes/Pipes

D Square Plumbing Supply Inc.	Tiles/T&B fixtures
American Wire and Cable Inc	Electrical wires
Gilas Manila Hardware Corp. Brave Trucking Inc	Plywood Aggregates

The Company's Major Subcontractors are as follows:

Subcontractor	Trade
Alpha Plumbing Works, Inc.	Plumbing and Sanitary/ Fire Protection
DM Consunji Inc	Dismantling works
Corrotech, Inc. JBLs Trading & Construction Aesthetics AZX Painting Services Aquadys Inc	Painting works
Goldpeak Construction & Dev't Corp	Rebar Works
Spec-Master Inc. Anvic Construction (Phils.) Inc.	Electrical works
CII AC Façade Phils, Inc Seapac Philippines, Inc.	Doors & Windows
Northlandia Enterprises	Kitchen Cabinet
Borja Construction Coordinates & Allied	Ventilation

(8) Dependence on one or a few Major Customers and identification of Such Transactions with and/or Dependence on Related Parties-

Aside from those listed in item 5. (j) of the definitive information statement, the Company has no known transactions with and or dependence on related parties.

(9) Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreement, or labor contracts including duration- **Not Applicable**

(10) Need for any governmental approval of principal products- **None at the moment**

(11) Effect of Existing or Probable Governmental Regulations on the business-

DMCI Homes operates a material part of its businesses in a regulated environment. DMCI Homes is subject to numerous environmental laws and regulations relating to the protection of the environment and human health and safety. These include laws and regulations governing air emissions, water, and waste discharges, odor emissions, and the management and disposal of, and exposure to hazardous materials. DMCI Homes cannot predict what environmental or health and safety legislation or regulations will be amended or enacted in the future; how existing or future laws and regulations will be enforced, administered or interpreted; or the amount of future expenditures that maybe required to comply with these environmental or health and safety laws or regulations or to respond to environmental claims.

In addition, DMCI Homes is required to obtain licenses to sell before making sales or other disposition of housing and condominium units. Project permits and any license to sell maybe suspended, cancelled, or revoked by the Housing and Land Use Regulatory Board (HLURB) or by the courts upon its findings or upon a complaint from an interested party, and there can no assurance that the Company will receive the requisite approvals or licenses, or that such permits, approvals, licenses will not be cancelled or suspended. Any of the foregoing circumstances or events could affect the Company’s ability to complete project on time, within budget or at all, and could have a material adverse effect on its financial condition and results of the operations.

DMCI Homes through its construction and property management arms, keeps itself abreast of the latest technologies that enable it to implement existing sanitation, environment and safety laws and regulations at cost efficient means. It also continuously exerts earnest efforts to secure and maintain all relevant and material permits and licenses required under such laws and regulations for its subdivision and condominium projects.

(12) Estimate of Amount Spent for Research and Development Activities and its percentage to revenues during 2021 2020, and 2019 Fiscal Year- **None**

(13) Costs and Effects of Compliance with Environmental Laws-

Costs vary depending on the size of a construction project. Failure to comply with the terms of the ECC (Environmental Compliance Certificate) can lead to imposition of fines and temporary cessation of operations.

(14) Total Number of registrant’s employees and the number of employees it anticipate to have within the ensuing 12 months. Indicate the number by type of employee, whether or not any of them are subject to collective bargaining agreements and the expiration date of any –

The Company has 1,690 employees as of December 31, 2021. Employees of the Company can be classified based on their position as follows:

Position	No. of Employees
Rank and File	1,357
Junior- Senior Supervisor	227
Assistant Manager-Manager	78
Senior Manager- Vice President	25
Senior Vice President- President	3

The employees of the Company are non-unionized and are not covered by collective bargaining agreements. They receive supplemental benefits such as health care and benefit plan, dental care benefit plan, and group accident insurance coverage.

(15) Major risk/s involved in each of the business of the company and subsidiaries. Include a disclosure of the procedures being undertaken to identify, assess, and manage such risks.

Major Risk/s	Procedures Undertaken
<p>Compliance to Laws & Regulations Related to Business:</p> <p>a. Numerous laws, regulations, & ordinances about the environment, human health & safety, land acquisition, and building construction.</p> <p>b. Requirements imposed by local government units to grant license to sell or dispose housing/condominium.</p>	<p>1.) The Company through its Legal Department, Construction & Property Management, and Business Development Unit, place its combined efforts to identify the laws, regulations, and ordinances concerned which affects the business of the Company in relation to environmental requirements, human health & safety, building construction, land acquisitions, and other requirements to obtain license to sell for the Company's major products and services.</p> <p>2.) Each Departments delegate the tasks of laws and regulatory compliance to their respective teams and make timely and appropriate coordination with one another to collate documents, provide the needed requirements, meet deadlines, and accomplish the mandate of the laws, regulations, and ordinances.</p>
<p>Increased inflation, fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on the Company's and its customers' ability to obtain financing.</p> <p>With the bank lending cap imposed by the BSP to the real estate sector, the Company's access to capital and its cost of financing becomes limited. Once the single borrower limit with respect to their current or preferred bank or banks is met, the Company would encounter difficulty obtaining financing on the same or similar commercial terms from other banks</p> <p>In the event the Government substantially increases its borrowing levels in the domestic currency market, the interest rates charged by banks and other financial institutions are likely to increase and effectively reduce the amount of bank financing available to both prospective property purchasers and real estate developers, including the Company.</p>	<p>As to the Company: The Company maintains its good relations with various banking institutions and financial facilities to effectively enable smooth banking and commercial transactions with them.</p> <p>The government, specifically the BSP, has introduced measures to monitor the real estate sector. Its interventions would help the market become resilient and sustainable.</p> <p>As to Customers: 1) The Finance Department provides assistance to its clients to enable the latter to avail financing assistance either through the developer's in-house scheme or through accredited banks to fund the purchase of the property of the Company.</p>

<p>The Philippine property market is cyclical.</p>	<p>The Company expects to derive a substantial portion of its revenue in the future from its current and future portfolio of residential and mixed-use development projects.</p> <p>Accordingly, the Company is dependent on the state of the Philippine property market. The Philippine property market has in the past been cyclical and property values have been affected by the supply of and demand for comparable properties, the rate of economic growth in the Philippines and political and social developments.</p> <p>While the Company has no control over the property market, this risk is mitigated by the fact that construction for the Company’s projects are completed in a fraction of the time taken for comparable-sized projects by other developers. Construction normally begins immediately once properties have been acquired in the normal course of business. Furthermore, the real estate segment targeted by the Company is the end-user upper mid-income individuals, couples, and families market. There remains a significant backlog of housing units in the segments in which the Company competes. Financing facilities for buyers in this market segment has become widely available from financial institutions. Lastly, the Company believes that its reputation as a quality home builder coupled with value for money project developments will help it withstand the cut-throat competition in the Philippine property market.</p>
<p>4.Competition for Acquisition of Land for New Projects</p> <p>When the Company and its competitors attempt to locate sites for development, the Company may experience difficulty in locating parcels of land of suitable size in locations and at prices acceptable to the Company.</p>	<p>1) The Legal Department and the Business Development Unit assist each other to expedite the negotiation, submission of needed legal documents and requirements of the government agencies, local government unit concerned, and the parties to the transaction.</p> <p>2) The Company resorts only to the standard lawful procedures in acquiring land as provided by the prevailing laws, rules, and regulations in dealing with lands, titles, and deeds for development of new projects.</p>

<p>4. Talent Acquisition and Manpower Retention Due to the construction of new projects, there is an increase of the demand for new hires. On the otherhand, the Company also experience employee retention issues.</p>	<p>1) The Human Resource Department upon careful study of the continuous needs of the company as to hiring of manpower and employee retention, regularly reviews the existing policies and develops new company policies to address the different issues surrounding the department. 2) Competitive Compensation package, appropriate delegation of talent to corresponding job positions, working hours, company and employee activities, employee recognition, and employee training are the areas of concentration of the department to adequately answer the problem.</p>
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(B) DESCRIPTION OF PROPERTY

Give the location and describe the condition of the principal properties (such as real estate, plant and equipment, mines, patents, etc.) that the registrant and the subsidiaries own. If the registrant does not have complete ownership of the property, for example, others also own the property or there is a mortgage or lien on the property, describe the limitations on ownership. Indicate the properties it leases, the amount of lease payment, expiration dates and terms or renewal options. Indicate the properties the registrant intends to acquire in the next twelve (12) months, the cost of such acquisitions, the mode of acquisitions (i.e. purchase, lease, or otherwise) and the sources of financing it expects to use. –

All properties are owned by the Company and its subsidiaries unless otherwise indicated as follows:

1. Land Inventory

In line with its goal of providing well-located residential options, DMCI Homes purchases properties with in the Metro Manila. The Company’s land development begins one to two years from property acquisition carrying costs, resulting in more competitive sales pricing.

Potential land acquisitions are assessed on the basis of strategic location, acquisition price relative to prevailing market prices, presence of competition in the area, shape of the lot, potential legal and technical hindrances to development, and local government requirements for development.

Based on the Company’s development standards, the minimum land area required for the Company’s five-storey mid-rise developments is one hectare , with a zonal classification of at least R-2 (medium density residential zone per National Building Code classification).Ten-storey and mid-rise developments have a minimum land area requirement of 10,000 square meters, with a zonal classification ranging from R-2 to R-3 (medium to high density residential zone per National Building Code classification). Highrise developments require a minimum land area of 2,000 square meters and a zonal classification of at least R-5 (very high density residential zone per National Building Code classification).

The Zoning classifications vary between different cities and their zoning ordinances; NBC was referenced to serve as standard/benchmark.

The table below enumerates the Company’s current land inventory available for development.

Location	Sum of Land Area (sqm)
CAVITE	190,493
LAGUNA	139,962
RIZAL	17,833
BATANGAS	50,000
BULACAN	110,860
BENGUET	40,768
PAMPANGA	99,242
DAVAO CITY	10,943
CEBU CITY	56,488
ILOILO CITY	8,557
MANILA	10,282
QUEZON CITY	31,010
TAGUIG CITY	860,681
LAS PIÑAS	30,992
MAKATI CITY	7,200
PASAY	3,867
VALENZUELA	163,873
PASIG	18,457
MANDALUYONG CITY	5,915
CALOOCAN CITY	7,472
	1,864,894

The Company is currently exploring opportunities of diversification of its property developments in key urban centers in Northern Luzon and Western Mindanao regions. Future land acquisitions will be funded by debt financing and internally generated funds.

The Company owns its corporate headquarters, located at 1321 Apolinario St. Bangkal, Makati City. The property has a total land area of approximately one hectare, upon which stands a six-storey building with annex, with a total floor area of approximately 35,000 square meters.

2. Encumbrances

Certain parcel or parcels of land of the Company which are minor in size taking in consideration the total land holdings of the Company are subject to the proceedings arising out of the claims of certain individuals. While the results of the litigation cannot be predicted with certainty, the Company believes that the final outcome of these proceedings will not have a material adverse effect on the property, considering the nature of the claims asserted in the proceedings.

Properties of the Company in which particular projects have been created are subject to restrictions arising from the nature of the projects created over them. For instance, properties over which a condominium building has been constructed would have restrictions annotated on the title of such property arising from the master deed restrictions on the use of the property for condominium use.

3. Leased Properties

The Company has entered into lease contracts of its various residential and commercial units as well as undeveloped land within and outside Metro Manila.

For commercial leasing, the term of renewal and the expiration dates of the lease contracts vary. The expiration dates of the lease contracts depend on the agreement of both parties and may be subject to renewal. The amount of the lease payments also differs. It depends on different factors such as but not

limited to the following: the prevailing lease payment for the commercial area, the expenses of business permits, other requirements imposed by the local government unit concerned, and the marketing needs of the Company. The lease of undeveloped land pertains to the Company's property in Bulacan , the lease period is for two (2) years subject to renewal upon mutual agreement of both parties.

For the year 2021, the Company offered regular lease and rent-to-own (RTO) program of its various residential properties. Regular leasing is for a minimum period of six (6) months and subject to renewal depending on the agreement of both parties. For rent to own, the lease is for a period of two years with the option given to tenant to convert to sale on or before the expiration of the lease period.

The total income from lease as of December 31, 2021 and December 31, 2020 are as follows :

Rental Income	2021	2020
Commercial	52,816,750	62,914,248
Residential (RTO)	10,484,375	-
Residential	26,541,172	11,907,675
Undeveloped Land	151,678,146	2,439,164
	241,520,444	77,261,087

Below are the location of leased properties as of December31, 2021 :

LOCATION	Property Name
TAGUIG	Birchwood
	Cedar Crest
	Cypress Towers
	Mahogany Place 3
	Royal Palm Residences
	Rose Wood Pointe
	Ivorywood
	Verawood Residences
	Maple Place
	Mulberry Residences
	Acacia Town Center
QUEZON CITY	Magnolia Place
	One Catilla Place
	Stellar Place
	The Amaryllis
	The Redwoods
	Viera Residences
	Zinnia Towers
PARANAQUE	Arista Place
	Raya Gardens Condominium
	Asteria Residences
	Calathea Place
	Oak Harbor
Siena Park Residences	

PASIG	East Raya Gardens
	Brixton Place
	Levina Place
	Mirea Residences
	Riverfront Residences
MANDALUYONG	Flair Towers
	Lumiere Residences
	Sheridan Towers
	Tivoli Garden Residences
MANILA	Illumina Residences
	Torre de Manila
	Sorrel Residences
LAS PINAS	Maricielo Villas
	Ohana Place Residences
BAGUIO	Outlook Ridge Residences
	Bristle Ridge
PASAY	La Verti
	Fairway Terraces
MUNTINLUPA	Rhapsody Residence
CAVITE	Mayfield Park Residences
	Alea Residences
DAVAO	Verdon Park
MAKATI	MN1 & MN2 Building
	Brio Towers

(C) LEGAL PROCEEDINGS

Except for those referred under Item 5 paragraph (h) of the Preliminary Information Statement, the Company is not aware of the occurrence, as of the date hereof and during the past five (5) years preceding this date, of any of the following events which it believes to be material to the evaluation of the ability or integrity of any of its directors, nominees for election as a director, or executive officers:

1. Any bankruptcy petition filed by or against any business of the director, nominee for election as director, or executive officer who was a general partner or executive officer either at the time of bankruptcy or within two years prior that time
2. Any director, nominee for election as director, or executive officer being convicted by final judgement in a criminal proceeding, domestic or foreign, or being subject in his personal capacity to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses.
3. Any director, nominee for election as director, or executive officer being subject to any judgment, order, or decree, not subsequently reversed, vacated, or suspended, of any court of competent jurisdiction domestic or foreign, permanently or temporarily enjoining, suspending, barring, or otherwise limiting his/her involvement in any type of business, securities, commodities, or banking activities, and
4. Any director, nominee for election as director, or executive officer being found by domestic or foreign court of competent jurisdiction in a civil action, the Commission or equivalent foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, vacated, or suspended.

VII. AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE

A. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company’s principal market is not an exchange. The Company’s common shares are not traded in any stock exchange. Thus, the range of High and Low Bid information is not applicable. None of the Company’s shares is subject to any outstanding options or warrants and the Company has not issued any securities convertible into common shares of the Company. As of the date of this report, the Company does not intend to make any public offer of any of its shares

B. SHAREHOLDERS

As of March 15, 2022, the outstanding capital stock of the Company has been issued as follows:

Title of Class	Name of Shareholder	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	DMCI Holdings, Inc. 3 rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City	2,982,861,747	Filipino	85.5%
Common	D.M. Consunji, Inc. DMCI Plaza Building, 2281 Chino Roces Avenue Extension, Makati City*	504,862,578	Filipino	14.5%
Common	Isidro A. Consunji	1,000	Filipino	<0.01%
Common	Jorge A. Consunji	1,000	Filipino	<0.01%
Common	Ma. Edwina C. Laperal	1,000	Filipino	<0.01%
Common	Francisco F. Del Rosario, Jr.	1	Filipino	<0.01%
Common	Alfredo R. Austria	1	Filipino	<0.01%
Common	Adrian Crisanto Calimbas	1	Filipino	<0.01%
Common	Herbert M. Consunji	1	Filipino	<0.01%
Common	Ma. Cristina C. Gotianun	1	Filipino	<0.01%
Common	Honorio Reyes-Lao	1	Filipino	<0.01%

The aggregate number of shares of common stock directly and indirectly owned by the directors and executive officers listed above is 3,006 or approximately 0.000086% of the Company’s outstanding shares of common stock.

** On April 7, 2014, D.M. Consunji, Inc. declared its shares in the Company as property dividends in the amount of ₱504,862,578.00 in favor of DMCI Holdings, Inc. The SEC approved the property dividend declaration on September 9, 2014.*

Except for the above shareholders, no other person has any shares in the Company.

C. DIVIDENDS

The Company is authorized under Philippine law to declare dividends, subject to certain restrictions. The Company’s Board of Directors is authorized to declare cash dividends. Declaration of cash and property dividends does not require any further approval from the Company’s shareholders, except that the distribution of property dividends requires the approval of the Securities and Exchange Commission. On

the other hand, declaration of stock dividends requires the approval of shareholders representing at least two-thirds of the Company's outstanding capital stock. Dividends may be declared only from unrestricted retained earnings.

The Company and its subsidiaries have not adopted any dividend policy. Dividends declared by the Company and its subsidiaries for previous three years are as follow: 2021 : ₱1.25 Billion 2020 – ₱1.25 Billion, 2019 – ₱1.27 Billion.

D. RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES INCLUDING RECENT ISSUANCE OF SECURITIES CONSTITUTING AND EXEMPT TRANSACTIONS– NONE

E. FINANCIAL STATEMENTS MEETING THE REQUIREMENTS OF SRC RULE 68 - See the annexed Audited Financial Statement of DMCI-PDI.

VIII. DIRECTORS AND EXECUTIVE OFFICERS

(A) INCUMBENT DIRECTORS AND EXECUTIVE OFFICERS

Name	Age	Position
Isidro A. Consunji	73	Chairman of the Board and Chief Executive Officer
Alfredo R. Austria	64	Director and President
Jorge A. Consunji	69	Director
Ma. Edwina C. Laperal	60	Director, Senior Vice-President, and Treasurer
Adrian Crisanto M. Calimbas	54	Director, Senior Vice-President for Design and Engineering, Construcion and Post Construction
Herbert M. Consunji	69	Director
Ma. Cristina C. Gotianun	67	Director
Honorio Reyes Lao	77	Independent Director
Francisco F. Del Rosario, Jr.	74	Independent Director

(a) REGULAR DIRECTORS

Isidro A. Consunji, 73, Filipino, is the Chairman of the Board of Directors of the Company. He has been a director of the Company for twenty seven (27) years. He is a graduate of B.S. Civil Engineering at the University of the Philippines. He obtained his Masters degree in Business Economics from the Center for Research and Communication and Masters in Business Management from the Asian Institute of Management, and attended the Advanced Management Program at Instituto de Estudios Superiores de la Empresa (IESE) in Barcelona, Spain. For the past five years, he has been the Chairman of DMCI-Holdings, Inc, Dacon Corporation, and Asia Industries Inc. He is also the Chairman of the Board of Directors of DMCI Mining Corp., D.M. Consunji, Inc., DMCI Homes, and Beta Electric Corp. He is the Vice Chairman of Maynilad Water Services Inc., and director of Semirara Mining and Power Corporation, DMCI/MPIC Water Company Inc., Crown Equities, Inc., Atlas Consolidated Mining and Dev Corp., Carmen Copper Corp., Sem-Calaca Power Corp., Berong Nickel Corp., Toledo Mining Corp., ENK PLC (London). He was the former President of

the Philippine Constructors Association and Philippine Chamber of Coal Mines, Inc. At present, he is the Chairman of the Board of the Philippine Overseas Construction Board and a board member of Construction Industry Authority of the Philippines.

Alfredo R. Austria, 64, Filipino, is the President and Chief Operating Officer of the Company. He has been a director of the Company for eighteen (18) years. He is a graduate of B.S. Civil Engineering, Cum Laude, at the University of the Philippines. He is a licensed Civil Engineer and placed 2nd at the Philippine Civil Engineering Board Exam. He also obtained his Master in Business Administration from the University of the Philippines. He has held various positions in different construction companies domestically and internationally. He is a member of the Philippine Institute of Civil Engineers - Manila Chapter.

Ma. Edwina C. Laperal, 60, Filipino, is a Director, Senior Vice-President and Treasurer of the Company. She has been a director of the Company for twenty seven (27) years. She graduated with a degree in B.S. Architecture and obtained her Masters Degree in Business Administration from the University of the Philippines and obtained an Executive Certificate for Strategic Business Economics Program from the University of Asia & the Pacific (formerly the Center for Research and Communication). She is a licensed architect in the Philippines. She is concurrently the Director and Treasurer of DMCI Holdings, Inc., D.M. Consunji Inc. and Dacon Corporation and a Director in Semirara Mining and Power Corporation, DMC Urban Property Developers, Inc., and Sem-Calaca Power Corporation.

Jorge A. Consunji, 69, Filipino. He has been a director of the Company for twenty seven (27) years. He is a graduate of B.S. Industrial Management Engineering at the De La Salle University. He obtained his Masters in Business Economics from University of Asia and the Pacific. He is the President and COO of D.M. Consunji Inc. He is also the Chairman of DMCI Masbate Power Corporation and Wire Rope Corp. of the Philippines, Director of DMCI-HI, Dacon Corporation, SEM-Calaca Power Corporation, DMCI Mining Corporation, DMCI Power Corporation, DMCI Concepcion Power Corporation, Semirara Mining and Power Corporation ,Maynilad Water Services Inc., Manila Herbal Corporation, and Beta Electric Corp. He was the former Chairman of ASEAN Constructors Federation and former President of Phil. Constructors Association and ACEL. He is currently a Director of Private Infrastructure Development Corp.

Herbert M. Consunji, 69, Filipino, is a Director of the Company for four (4) years. He has served as regular director of DMCI Holdings, Inc. for twenty six (26) years since March 1995. He is also a regular Director of the following: (*Listed*) Semirara Mining and Power Corporation; (*Non-listed*) D.M. Consunji, Inc., Subic Water and Sewerage Company, Inc., DMCI Mining Corp., Sem-Calaca Res Corporation, DMCI Power Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem-Cal Industrial Park Developers, Inc. *Education.* Top Management Program, Asian Institute of Management; Bachelor of Science in Commerce, Major in Accounting (De La Salle University), Certified Public Accountant (CPA). *Civic Affiliations.* Philippine Institute of Certified Public Accountants, *Member.*

Ma. Cristina C. Gotianun, 67, Filipino, is a Director of the Company since June, 2017. She has been the Assistant Treasurer of DMCI Holdings, Inc. for twenty five (25) years; she is a regular director the following positions: (*Listed*) Semirara Mining and Power Corporation; (*Non-listed*) Dacon Corporation, D.M. Consunji, Inc., DMCI Power Corporation, Sem-Calaca Power Corporation., Southwest Luzon Power Generation Corp., Sem-Cal Industrial Park Development Corporation, St. Rapahael Power Generation Corp., Semirara-Energy Utilities, Inc., Semirara Claystone, Inc., and Sem-Calaca Res Corp. She is a graduate of Bachelor of Science Major in Business Economics at the University of the Philippines. She acquired special studies in Top Management Program at Asian Institute of Management (AIM). She finished Strategic Business Economic Program at University of Asia and Pacific. She is a Fellow of the Institute of Corporate Directors.

Adrian Crisanto M. Calimbas , 54, Filipino, is a Director of the Company since August 2021. He was appointed as Senior Vice President for Design and Engineering, Construction and Post Construction since December 2019. He joined the company in 2001 and held various positions from Project In Charge to Vice President for Design and Engineering. Prior to this, he was a Civil Engineer at DM Consunji Inc for twelve

years. He is a graduate of Bachelor of Science in Civil Engineering from University of Sto. Tomas. He is also a member of the Philippine Institute of Civil Engineers.

(b) INDEPENDENT DIRECTORS

Honorio O. Reyes-Lao, 77 years old, Filipino, has been an Independent Director of the Company for almost six (6) years. He is currently an independent director of DMCI Holdings, Inc., an independent director of Semirara Mining and Power Corporation, and is also a director of Philippine Business Bank (**Listed**); He is also an independent director of Sem-Calaca Power Corporation and South West Luzon Power Generation Corporation (**Non-Listed**). **Non-Listed (Past Positions)** Gold Venture Lease and Management Services Inc. (2008-2009), First Sovereign Asset Management Corporation (2004-2006, CBC Forex Corporation (1998-2002) , CBC Insurance Brokers, Inc. (1998-2004), CBC Properties and Computers Center, Inc. (1993-2006). He obtained his Bachelor of Arts degree, Major in Economics and his Bachelor of Science in Commerce, Major in Accounting from De La Salle University. He obtained his Masters Degree in Business Management from the Asian Institute of Management. His current civic affiliations include the Institute of Corporate Directors, *Fellow*, Rotary Club of Makati West, *Member/Treasurer*, Makati Chamber of Commerce and Industries, *Past President*.

Francisco F. Del Rosario, Jr., 74, Filipino, has been an Independent Director of the Company for nine (9) years. He is also an Independent Director of Metrobank and Philab Industries, Inc., a Director of Mapfre Insular Insurance Corp. and Ominipay Inc., a Cabinet Member of Habitat for Humanity Philippines, and a Trustee of ABS-CBN Foundation Inc. Mr. del Rosario is a graduate of B.S. Commerce major in Accounting and Bachelor of Arts Major in Economics from De La Salle College. He also obtained his Master in Business Management from the Asian Institute of Management. He is also a candidate for Doctoral Program in Business Administration from De La Salle University Professional Schools, Inc.

(c) KEY OFFICERS

The following are the names, ages, and citizenship of the Company’s executive officers:

Name	Age	Position
Alfredo R. Austria	64	President
Ma. Edwina C. Laperal	60	Treasurer
Enrico C. Wong	64	Senior Vice President for DMCI Property Management , Alta Vista de Boracay , Leasing and General Services
Adrian Crisanto M. Calimbas	54	Senior Vice President for Design and Engineering, Construction and Post Construction
Evangeline H. Atchioco	47	Chief Finance Officer/ VP/ Chief Compliance Officer
Ma. Severina M. Soriano	60	Vice President for Architecture and Interior Design
Roel A. Pacio	54	Vice President for Legal and Permits
Dennis O. Yap	42	Vice President for Project Development / OIC for Sales
Florence L. Loreto	42	Vice President for Business Development
Teresa P. Tiongson	55	Vice President for Human Resource

Jan Mikel O. Venturanza	40	Vice President for Marketing, Customer Care, Corporate Planning and Information Technology
Arturo C. Zamora	54	Vice President for Procurement and Asset Management
Noel A. Laman	82	Corporate Secretary
Ma. Pilar P. Gutierrez	45	Assistant Corporate Secretary

The business experience of each of the Company's executive officers covering the past five years are described below.

Alfredo R. Austria, 64, Filipino, is the President and Chief Operating Officer of the Company. He has been a Director of the Company for seventeen (17) years. He is a graduate of B.S. Civil Engineering, Cum Laude, at the University of the Philippines. He is a licensed Civil Engineer and placed 2nd at the Philippine Civil Engineering Board Exam. He also obtained his Master in Business Administration from the University of the Philippines and a Certificate in Business Economics from the University of Asia and the Pacific. He has held various positions in different construction companies domestically and internationally. He is a member of the Philippine Institute of Civil Engineers - Manila Chapter.

Ma. Edwina C. Laperal, 60, Filipino, is a Director, Senior Vice-President, and Treasurer of the Company. She has been a Director of the Company for 26 years. She is a graduate of B.S. Architecture and obtained her Master's Degree in Business Administration from the University of the Philippines. She obtained an Executive Certificate for Strategic Business Economics Program from the University of Asia & the Pacific (formerly the Center for Research and Communication). She is a licensed architect in the Philippines. She is concurrently the Director and Treasurer of DMCI Holdings, Inc., D.M. Consunji Inc., DFC Holdings, Inc., and Dacon Corporation. A Director in Semirara Mining and Power Corporation, DMC Urban Property Developers, Inc., Southwest Luzon Power Generation Corporation, and Sem-Calaca Power Corporation. She is also a President and Director of DMC Urban Property Developers, Inc.

Enrico C. Wong, 64, Filipino, is the Senior Vice President for DMCI Property Management, Alta Vista de Boracay, Purchasing, Leasing and General Services of the Company since 2015. He is also the Managing Director and part owner of Nuvali Steel Processing Center Inc, Board of Trustee of Made in Hope Philippines (NGO helping rescued women and children) and a Lecturer / Associate Professor in Ateneo Graduate School of Business for MBA-Regis University USA program. Before joining the Company, he has held various positions in San Miguel Group of Companies such as Vice President, General Manager and Board of Director of San Miguel Packaging Specialist, Inc., Vice President and Business Manager for PET Packaging and Beverage Business Cluster, San Miguel Yamamura Packaging Corp and San Miguel Corp., and Assistant Vice President and Sales Account Director for Coca Cola (Domestic and International). He is a graduate of B.S. Electrical Engineering from University of the Philippines and obtained his Masters in Business Administration from Ateneo Graduate School of Business. He is also a business consultant and trainer for Strategic Planning and Management, Quality Management, Operations Management, Culture Development, Motivation and Values Formation. He is a Certified Master Project Manager, a Professional Executive Coach and a member of International Coach Federation, USA.

Adrian Crisanto M. Calimbas, 54, Filipino, was appointed as Senior Vice President for Design and Engineering, Construction and Asset Disposal since December 2019. He joined the company in 2001 and held various positions from Project In Charge to Vice President for Design and Engineering. Prior to this, he was a Civil Engineer at DM Consunji Inc for twelve years. He is a graduate of Bachelor of Science in Civil Engineering from University of Sto. Tomas. He is also a member of the Philippine Institute of Civil Engineers.

Evangeline H. Atchioco, 47, Filipino, has been the Chief Compliance Officer of the Company for five (5) years or since February 12, 2016. She was also appointed as Chief Finance Officer on September 1, 2019. She joined the company in 1997 as Finance Officer and held the position of Vice President for Finance in 2008 to 2019. She was a Senior Auditor in SyCip Gorres Velayo & Co. from 1994 to 1996. She graduated Magna Cum Laude with a degree of Bachelor of Science in Accountancy from the University of the East and obtained a Certificate in Business Economics from the University of Asia and the Pacific. She is a Certified Public Accountant.

Ma. Severina M. Soriano, 60, Filipino, is the Vice President for Architectural and Interior Design of the Company since 2011. She joined the company in 2006 as Head of Design. From 1988 to 2006, she held various positions in D.M.Consunji, Inc. from Cadet Architect to Design Manager. She was also an Interior Designer at AB Soriano & Associates from 1980 to 1986. She is a graduate of Bachelor of Science in Architecture from University of Sto Tomas and a member of United Architects of the Philippines (UAP) CBD Chapter.

Roel A. Pacio, 54, Filipino, is the Vice President for Legal and Permits of the Company since 2013. He joined the company in 2000 as Legal Officer. He was also the Deputy Director for Legal, Permits and Administration and Assistant Vice President for Legal and Permits prior to his current appointment. He earned his Juris Doctor degree from Ateneo de Manila University College of Law, with Silver Medal for Second Honors. He is also a Certified Public Accountant and is a graduate of Bachelor of Science in Commerce Major in Accounting from St. Louis University. He is a member of Integrated Bar of the Philippines and Philippine Institute of Certified Public Accountants.

Dennis O. Yap, 42, Taiwanese, was appointed as Vice President for Project Development on September 1, 2019. He is also the Officer In Charge for Sales and Head of Concepts and Landscape Management. He joined the company in 2010 as Project Development Manager. Prior to this, he was with Federal Land Inc. from 2003 to 2010 as Assistant Manager for Product Planning Department. He is a graduate of Bachelor of Science in Business Administration Major in Marketing from Philippine School of Business Administration.

Florence L. Loreto, 42, Filipino, was appointed as Vice President for Business Development in January 2020. She joined the company in 2013 as Project Development Manager. Prior to this, she was with Ayala Land, Inc.'s Operations Group, Finance Division and AyalaLand Hotels and Resorts Corp., consecutively. She is a graduate of Bachelor of Science in Civil Engineering from the Mapua Institute of Technology.

Teresa P. Tiongson, 55, Filipino, was appointed as Vice President for Human Resources on September 1, 2019. She joined the company in 2007 as Senior Manager for Human Resources and held the position of Assistant Vice President for Human Resource in 2015 to 2019. Before joining the Company, she was the Vice President for Human Resource of Centennial Savings Bank. She is a graduate of Bachelor of Science in Psychology (*with Academic Distinction*) from St. Paul College, Quezon City. She is also a member of Personnel Management Association and Philippine Society Training and Development.

Jan Mikel O. Venturanza, 40, Filipino, was appointed as Vice President for Corporate Planning, Marketing, Customer Care and Information Technology on September 1, 2019. He joined the company in 2011 as Marketing Manager. He earned his Bachelor's Degree in Electronics and Communications Engineering from Ateneo de Manila University and his Masters in Business Administration from University of the Philippines.

Arturo C. Zamora, 54, Filipino, was appointed as Vice President for Procurement and Asset Management on April 1, 2021. He joined the company in 2020 as Head of Purchasing. He is also a

lecturer/associate professor of Operations and Supply Chain Management of the MBA programs of the Ateneo Graduate School of Business (AGSB). He has more than 30 years' experience and held various managerial and executive positions in various industries such as electronics manufacturing (Ionics, Zyrel), home appliance and medical equipment distribution, food production and franchising (Julies Franchising Corp, GM), healthcare (hospital operations), construction (ASEC, VP), logistics (APL Logistics Philippines, GM), real estate development, memorial park development, and mining services. His most recent engagement before DMCI Homes was as Chief Operating Officer of Canedo Equity Ventures, Inc. in Cebu. He earned his Bachelor's Degree in Electronics and Communications Engineering from the Mapua Institute of Technology, and his MBA degree from AGBS.

Noel A. Laman is 82 years old, Filipino, has been the Corporate Secretary of the Company for eleven (11) years. For the past six (6) years, he has held the following positions: **(Listed)** Corporate Secretary of DMCI Holdings, Inc. and National Reinsurance Corporation of the Philippines; **(Non-listed)** Castillo Laman Tan Pantaleon & San Jose Law Offices, Founder/Senior Partner; DCL Group of Companies, Treasurer; Boehringer Ingelheim (Phils.), Inc., Non-executive Director; Merck, Inc, Non-executive Director. He obtained his Bachelor of Science, Jurisprudence and Bachelor of Laws from the University of the Philippines and Master of Laws from University of Michigan Law School. He is a member of the Integrated Bar of the Philippines and was its *Past Secretary, Treasurer, Vice President, for the Makati Chapter; Rotary Club Makati West, Past President; Intellectual Property Association of the Philippines (IPAP), Past President; Asian Patent Attorneys Association (APAA), Past Council Member; Firm Representative to the German Philippine Chamber of Commerce, Inc., Member.*

Ma. Pilar Pilares- Gutierrez is 45 years old, Filipino. She has served the Corporation as Assistant Corporate Secretary for almost sixteen (16) years since May, 2005. For the past six (6) years, she has held the following positions: **(Listed)** Assistant Corporate Secretary of DMCI Holdings, Inc. and National Reinsurance Corporation of the Philippines; **(Non-listed)** Castillo Laman Tan Pantaleon & San Jose Law Firm, Partner; Corporate Secretary of the following companies: Pricon Microelectronics, Inc., Test Solution Services, Inc., DCL Management Ventures, Inc. Manpower Resources of Asia, Inc., Sealanes Marine Services, Inc., CBRE Corporate Outsourcing, Inc, CBRE GWS IFM Phils. Corp, CBRE Business Support Services Philippines, Inc., Software AG Philippines, Inc., Oncho Philippines, Inc., Mercury Battery Industries, Inc., Philippine Advanced Processing Technology, Inc., Rentokil Initial Philippines, Inc., Jacobs Projects Philippines, Inc., Successfactors Philippines, Inc.; She is also the Assistant Corporate Secretary of the following companies: D.M. Consunji, Inc., Dacon Insurance Brokers, Inc., Wire Rope Corporation of the Philippines, Honeywell CEASA (Subic Bay) Company, Inc., IQVIA Solutions Philippines, Inc., IQVIA Solutions Operations Center Philippines, Inc., SingTel Philippines, Inc., and JTEKT Philippines Corporation. She obtained her Bachelor of Laws from the University of the Philippines (Diliman) in 2001 (Dean's Medal for Academic Excellence) and her Bachelor of Science in Management, Major in Legal Management (B.S.L.M.) from the Ateneo de Manila University in 1997.

IX. CORPORATE GOVERNANCE

- 1) The Company's Corporate Governance Manual ("CG Manual") was filed on May 22, 2015. The Amended CG Manual was later on filed on September 14, 2015. The Company's CG Manual substantially complies with the SEC Memorandum Circular no. 6 Series of 2009 issued by the Securities and Exchange Commission on Revised Code of Corporate Governance.
- 2) With the appointment of the Chief Compliance Officer on February 12, 2016, the Compliance Department was formally established. The department is responsible for the company's acquiescence to the mandatory provisions laid down under the Revised Code of Corporate Governance, the provisions of the Company's CG Manual, the Well-Accepted Principles of Corporate Governance Best Practices for non-listed domestic private corporations, Rule 38 of the Securities Regulation Code, and other SEC

Memorandum Circulars. It also ensures the yearly filing of the Certificate of Compliance with the Manual of Corporate Governance of the Chief Compliance Officer, the Corporate Secretary's Certificate of Attendance of Directors to Board Meetings, the Annual Report with corporate governance provisions, Quarterly Reports, General Information Sheet, and other reportorial requirements mandated by the Commission for the corporation to file. It also ensures that the company substantially complies with the laws applicable to the industry it belongs and other prevailing laws applicable to corporations duly incorporated in the Philippines.

- 3) On May 2019, the Chairman and the Members of the Audit Committee, Nomination & Election Committee, and Compensation & Remuneration Committee of the company were elected. The three committees were established to ensure substantial compliance with the provisions of the Revised Manual on Corporate Governance of SEC and the CG Manual of the Company as to the respective corporate committees.
- 4) The Chief Compliance Officer attends all meetings of the Board of Directors of the Company and closely coordinates with the Chairman of the Board and other officers to ensure compliance with its CG Manual. The Company's directors and top-level management also attend seminars on good corporate governance which are held annually by the Company's parent company, DMCI Holdings, Inc.
- 5) As of the date hereof, there are no deviations from the Company's Manual on Corporate Governance.
- 6) The Company is bound to comply with various corporate governance policies being implemented by its parent company, DMCI Holdings, Inc. This is intended to improve the corporate governance of the Company.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **HONORIO REYES-LAO**, Filipino, of legal age, and a resident of 10 Dampol St., Damar Village, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

- (1) I am an independent director of **DMCI Project Developers, Inc.** (the "Corporation").
- (2) I am affiliated with the following companies or organizations:

<i>Company/ Organization</i>	<i>Position / Relationship</i>	<i>Period of Service</i>
LISTED		
Philippine Business Bank	Director	2010 - Present
Semirara Mining and Power Corporation	Independent Director	May 2017 - Present
DMCI Holding Inc.	Independent Director	2009
NON-LISTED		
DMCI Project Developers, Inc.	Independent Director	July 2016 - Present
Space2Place Inc.	Chairman/Director	2014 - Present
Southwest Luzon Power Generation Corp.	Independent Director	2017 – Present
Sem - Calaca Power Corporation	Independent Director	2017 – Present
Gold Venture Lease and Management Services Inc.	Director & President	2008-2009
Antel Group of Companies	Business Consultant	2007-2009
East West Banking Corporation	Senior Management Consultant	2005-2006
China Banking Corporation	Various positions	1970-2004
First Sovereign Asset Management Corporation	Director	2004-2006
CBC Forex Corporation	Director	1998-2002
CBC Insurance Brokers, Inc.	Director	1998-2004
CBC Properties and Computers Center, Inc.	Director	1993-2006
United Doctors Medical Center, Inc.	Director	2022


- (3) I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities and Regulation Code, its Implementing Rules and Regulations and other laws and issuances applicable to the Corporation.
- (4) I am related to the following affiliates of DMCI Project Developers, Inc.:

<i>Name of Affiliate</i>	<i>Position</i>
DMCI Holdings, Inc.	Independent Director since 2009
Semirara Mining and Power Corporation (listed)	Independent Director since May 2, 2017

- (5) To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.
- (6) I am not a director or officer of any government agency or instrumentality.

- (7) I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code, its Implementing Rules and Regulations and other applicable laws and SEC issuances.
- (8) I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

SIGNED this MAY 10 2022, at MAKATI CITY City.


HONORIO REYES-LAO

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public for and in the City of Makati, Philippines, this MAY 10 2022, by the affiant, whose identity I have confirmed through passport no. _____ issued at _____ on _____.

Doc. No. 232 ;
Page No. 49 ;
Book No. 5012 ;
Series of 2022.

ATTY. BASILIO D. GASCON JR.
NOTARY PUBLIC APPOINTMENT NO. M-79
ROLL NO. ATTORNEY NO. 51336
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2021
MCLE COMPLIANCE NO. VI-0028922/OCT. 4, 2019
IBP LIFE MEMBER ROLL NO. 09441/MAKATI CHAPTER
PTR NO. 8853711/JANUARY, 4, 2022 MAKATI CITY
2/F DMCI HOMES CORPORATE CENTER
1321 APOLINARIO STREET, BANGKAL
MAKATI CITY, METRO MANILA
EXTENDED UNTIL JUNE 30, 2022
PER. B. M. NO. 3795

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **FRANCISCO DEL ROSARIO, JR.**, Filipino, of legal age, and a resident of 22 McKinley Hill Drive, Mckinley Hills Village, Taguig after having been duly sworn to in accordance with law do hereby declare that:

- (1) I am an independent director of **DMCI Project Developers, Inc.** (the "Corporation").
- (2) I am affiliated with the following companies or organizations:

Company/ Organization	Position / Relationship	Period of Service
LISTED		
METROBANK	DIRECTOR	05 YEARS
NON-LISTED		
GMR INFRASTRUCTURE SINGAPORE LTD.	STRATEGIC ADVISOR	2 YEAR
INSTITUTE FOR SOLIDARITY IN ASIA	CHAIRMAN	4 YEARS
OMNIPAY	DIRECTOR	5 YEARS

- (3) I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities and Regulation Code, its Implementing Rules and Regulations and other laws and issuances applicable to the Corporation.
- (4) I am not related to any affiliates of DMCI Project Developers, Inc.:
- (5) To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.
- (6) I am not a director or officer of any government agency or instrumentality.
- (7) I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code, its Implementing Rules and Regulations and other applicable laws and SEC issuances.
- (8) I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

SIGNED this MAY 30 2022 at MAKATI CITY City.


FRANCISCO DEL ROSARIO, JR.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public for and in the City of Makati, Philippines, this MAY 30 2022, by the affiant, whose identity I have certified through passport No. _____ issued at _____ on _____.

ATTY. BASILIO B. GASCON JR.
NOTARY PUBLIC - REGISTRATION NO. M-79
ROLL NO. ATTORNEY NO. 91336
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2021
MCLC COMPLIANCE NO. VI-0028922/ OCT. 4, 2019
IBP LIFE MEMBER ROLL NO. 09441/ MAKATI CHAPTER
PTR NO. 8853711/ JANUARY, 4, 2022 MAKATI CITY
2/F DMCI HOMES CORPORATE CENTER
1321 APOLINARIO STREET, BANGKAL
MAKATI CITY, METRO MANILA
EXTENDED UNTIL JUNE 30, 2022
PER. B. M. NO. 3795

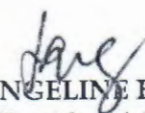
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REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) ss

CERTIFICATION AND UNDERTAKING

I, **EVANGELINE H. ATCHIOCO**, of legal age, Filipino, and with business address at the DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, 1233 Makati City, after having been duly sworn in accordance with law, depose and say that:

1. I am the Vice President, CFO and Compliance Officer of **DMCI PROJECT DEVELOPERS, INC.**, a corporation organized and existing under the laws of the Philippines (the "Corporation");
2. In connection with the Annual Stockholders' Meeting of the Corporation scheduled on June 24, 2022, at 2:30 P.M. to be held via remote communication, I hereby certify that except for Mr. Isidro A. Consunji who is connected with the Philippine Overseas Construction Board (PCOB) and the Construction Industry Authority of the Philippines (CIAP), none of the Corporation's directors and officers is connected with any government agencies or its instrumentalities.
3. I am executing this Certification and Undertaking in compliance with the requirements of the Securities and Exchange Commission.


EVANGELINE H. ATCHIOCO
Vice President/ CFO/
Compliance Officer

SUBSCRIBED AND SWORN to before me this JUN 01 2022 at Makati City, affiant exhibiting to me her passport no. PP#7344899A issued on Valid Until May 27, 2028 at DFA NCR East.

Doc. No. 168
Page No. 35
Book No. III
Series of 2022.




CHRISTINE FAITH M. TANGO
Appointment No. M-289
Notary Public for Makati City
Until December 31, 2022
Castillo Laman Tan Pantaleon
& San Jose Law Firm
The Valero Tower, 122 Valero Street
Salcedo Village, Makati City
PTR No. 8853454; 01-03-2022; Makati City
IBP No. 174024; 01-03-2022; Makati Chapter
Roll No. 74775

15 March 2022

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex
Roxas Boulevard, Manila 1307

Attention: **DIRECTOR VICENTE GRACIANO P. FELIZMENIO, JR.**
Markets and Securities Regulation Department

Gentlemen:

We advise that Mr. Isidro A. Consunji is the Incumbent Chairman of the Board of Directors of the Philippine Overseas Construction Board (POCB) and a Board Member of the Construction Industry Authority of the Philippines (CIAP). Mr. Consunji has been the Director of DMCI Project Developers, Inc. (DMCI-PDI) prior to his appointment by the President of the Philippines as Board Member of POCB.

The Department and the Philippine Overseas Construction Board interpose no objection on, and thereby permit the nomination, election, and assumption of office of Mr. Isidro A. Consunji as Director/Chairman of DMCI Project Developers, Inc.

Very truly yours,



RAMON M. LOPEZ

Secretary

Department of Trade and Industry (DTI)

Chairman of the Board,

Construction Industry Authority of the Philippines (CIAP)



OFFICE OF THE SECRETARY

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A S 0 9 5 - 0 0 4 1 3 7

COMPANY NAME

D M C I P R O J E C T D E V E L O P E R S , I N C .
(A S u b s i d i a r y o f D M C I H o l d i n g s
, I n c .)

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

D M C I H o m e s C o r p o r a t e C e n t e r , 1
3 2 1 A p o l i n a r i o S t r e e t , B a n g k a l
, M a k a t i C i t y

Form Type

A A F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N A

COMPANY INFORMATION

Company's Email Address

N/A

Company's Telephone Number

555-7777

Mobile Number

N/A

No. of Stockholders

11

Annual Meeting (Month / Day)

May 12

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Evangeline H. Atchioco

Email Address

enhernandez@dmcihomes.com

Telephone Number/s

555-7777 loc. 7342

Mobile Number

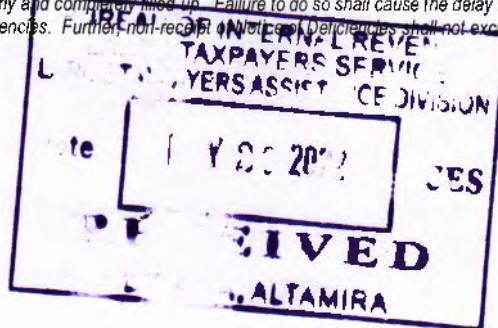
N/A

CONTACT PERSON'S ADDRESS

DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, Makati City

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

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





DMCI
PROJECT DEVELOPERS
I N C O R P O R A T E D

DMCI Homes Corporate Center
1321 Apolinario St.,
Brgy. Bangkal
Makati City, 1233 Philippines

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA Greenhills
Mandaluyong, Metro Manila

(632) 555-7777

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

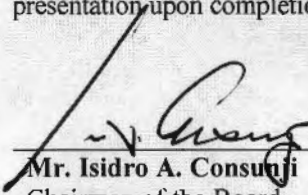
The management of DMCI Project Developers, Inc. is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year(s) ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

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

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

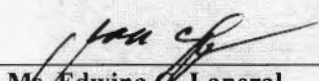
SyCip, Gorres, Velayo & Co., the independent auditors, appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon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



Mr. Isidro A. Consunji
Chairman of the Board



Mr. Alfredo R. Austria
President

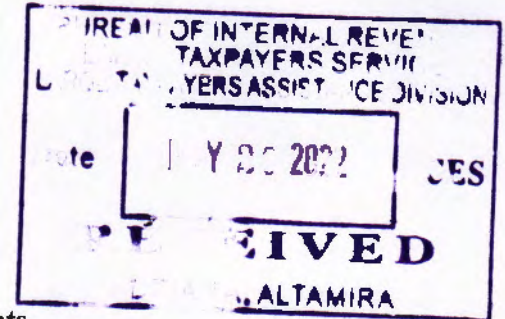


Ms. Edwina C. Laperal
Treasurer

Signed this _____ day of _____.

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
DMCI Project Developers, Inc.
DMCI Homes Corporate Center
1321 Apolinario Street., Bangkal
Makati City



Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of DMCI Project Developers, Inc. (the "Parent Company"), which comprise the parent company statements of financial position as at December 31, 2021 and 2020, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the parent company financial statements.

Basis for Opinion

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

Emphasis of Matter

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

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

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

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting relief issued and approved by the SEC as described in Note 2 to the parent company financial statements.

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

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 is presented in a separate schedule for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of DMCI Project Developers, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information required to be set forth therein, in relation to the basic parent company financial statements taken as a whole, are prepared in all material respects, in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the parent company financial statements.

SYCIP GORRES VELAYO & CO.



Dyonabee B. Señeres

Partner

CPA Certificate No. 97133

Tax Identification No. 201-959-816

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 97133-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-098-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8854369, January 3, 2022, Makati City

February 24, 2022



DMCI PROJECT DEVELOPERS, INC.**(A Subsidiary of DMCI Holdings, Inc.)****PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6 and 31)	₱4,387,750,259	₱4,668,788,657
Receivables (Notes 7, 28 and 31)	4,699,534,239	7,376,127,978
Current portion of contract assets (Note 8)	10,865,845,025	7,694,660,988
Real estate inventories (Note 9)	40,611,916,016	40,290,232,302
Other current assets (Notes 10 and 31)	3,648,772,557	3,105,408,047
Total Current Assets	64,213,818,096	63,135,217,972
Noncurrent Assets		
Contract assets - net of current portion (Note 8)	12,455,643,184	6,706,033,597
Investments in subsidiaries, associates and joint venture (Note 11)	1,495,196,472	1,370,196,472
Investment properties (Note 12)	95,664,848	109,106,347
Property and equipment (Note 14)	1,685,667,369	1,848,101,018
Software cost (Note 13)	12,334,147	65,564,528
Other noncurrent assets (Notes 10, 15 and 31)	1,719,493,661	2,220,898,414
Total Noncurrent Assets	17,463,999,681	12,319,900,376
	₱81,677,817,777	₱75,455,118,348

LIABILITIES AND EQUITY**Current Liabilities**

Current portion of loans payable (Notes 16, 30 and 31)	₱5,710,180,522	₱2,832,347,920
Accounts and other payables (Notes 18 and 31)	6,242,140,949	6,734,596,121
Customers' advances and deposits (Note 19)	4,355,230,719	4,084,114,931
Current portion of contract liabilities (Note 19)	3,546,914,502	4,377,480,560
Payables to related parties (Notes 28 and 31)	219,816,771	313,886,974
Current portion of liabilities for purchased land (Notes 17, 30 and 31)	601,817,432	849,023,520
Income tax payable (Note 27)	-	47,543,153
Total Current Liabilities	20,676,100,895	19,238,993,179

Noncurrent Liabilities

Contract liabilities - net of current portion (Note 19)	1,261,595,621	1,900,164,170
Loans payable - net of current portion (Notes 16, 30 and 31)	26,924,411,129	25,482,525,578
Liabilities for purchased land - net of current portion (Notes 17, 30 and 31)	969,552,190	1,170,581,536
Net pension liability (Note 25)	126,252,352	203,015,830
Deferred tax liabilities - net (Note 27)	3,879,473,550	3,594,503,804
Subscription payable (Notes 11, 28 and 31)	3,937,500	3,937,500
Other noncurrent liability (Notes 18 and 31)	1,079,558,646	1,172,543,426
Total Noncurrent Liabilities	34,244,780,988	33,527,271,844
Total Liabilities	54,920,881,883	52,766,265,023

(Forward)

	December 31	
	2021	2020
Equity (Note 20)		
Capital stock	₱3,487,727,331	₱3,487,727,331
Additional paid-in capital	15,260,664	15,260,664
Appropriated retained earnings	15,977,900,000	15,977,900,000
Unappropriated retained earnings	7,129,767,599	3,174,924,068
Remeasurement gain on defined benefit plans - net of tax (Note 25)	146,280,300	33,041,262
Total Equity	26,756,935,894	22,688,853,325
	₱81,677,817,777	₱75,455,118,348

See accompanying Notes to Parent Company Financial Statements.



DMCI PROJECT DEVELOPERS, INC.**(A Subsidiary of DMCI Holdings, Inc.)****PARENT COMPANY STATEMENTS OF INCOME**

	Years Ended December 31	
	2021	2020
REVENUE		
Real estate sales (Notes 19 and 21)	₱24,101,971,185	₱15,854,267,052
Contract revenue	473,778,601	238,173,845
	24,575,749,786	16,092,440,897
COSTS		
Cost of real estate sales (Notes 3, 9, 10 and 14)	17,278,400,121	12,832,951,896
Cost contract revenue	435,390,989	218,875,959
	17,713,791,110	13,051,827,855
GROSS PROFIT	6,861,958,676	3,040,613,042
GENERAL AND ADMINISTRATIVE EXPENSES (Note 24)	2,323,117,873	2,061,362,772
OPERATING INCOME	4,538,840,803	979,250,270
OTHER INCOME (EXPENSE)		
Finance income (Notes 6, 7 and 22)	340,700,280	361,053,109
Finance costs (Note 26)	(117,762,285)	(46,394,023)
Dividend income (Notes 11 and 28)	58,000,000	80,877,000
Other income (Notes 9, 12 and 23)	1,242,392,771	749,746,362
	1,523,330,766	1,145,282,448
INCOME BEFORE INCOME TAX	6,062,171,569	2,124,532,718
PROVISION FOR INCOME TAX (Note 27)	862,328,038	630,673,548
NET INCOME	5,199,843,531	1,493,859,170

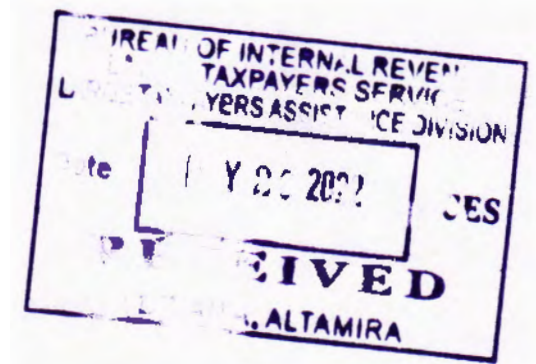
See accompanying Notes to Parent Company Financial Statements.

DMCI PROJECT DEVELOPERS, INC.
(A Subsidiary of DMCI Holdings, Inc.)

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2021	2020
NET INCOME	₱5,199,843,531	₱1,493,859,170
OTHER COMPREHENSIVE INCOME (LOSS)		
Item that will not to be reclassified to profit or loss in subsequent periods:		
Remeasurement gain (loss) on defined benefit plans (Note 25)	147,838,598	(103,974,526)
Income tax effect (Note 27)	(34,599,560)	31,192,358
	113,239,038	(₱72,782,168)
TOTAL COMPREHENSIVE INCOME	₱5,313,082,569	₱1,421,077,002

See accompanying Notes to Parent Company Financial Statements.



DMCI PROJECT DEVELOPERS, INC.
(A Subsidiary of DMCI Holdings, Inc.)

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

	For the year ended December 31, 2021					
	Capital Stock (Note 20)	Additional Paid in Capital (Note 20)	Remeasurement Gains on Defined Benefit Plans (Note 25)	Retained Earnings		Total
				Unappropriated (Note 20)	Appropriated (Note 20)	
Balances as at January 1, 2021	₱3,487,727,331	₱15,260,664	₱33,041,262	₱3,174,924,068	₱15,977,900,000	₱22,688,853,325
Net income	–	–	–	5,199,843,531	–	5,199,843,531
Other comprehensive income	–	–	113,239,038	–	–	113,239,038
Total comprehensive income	–	–	113,239,038	5,199,843,531	–	5,313,082,569
Appropriation for project development (Note 20)	–	–	–	–	–	–
Reversal of appropriation (Note 20)	–	–	–	–	–	–
Dividends declared (Note 20)	–	–	–	(1,245,000,000)	–	(1,245,000,000)
Balances as at December 31, 2021	₱3,487,727,331	₱15,260,664	₱146,280,300	₱7,129,767,599	₱15,977,900,000	₱26,756,935,894

	For the year ended December 31, 2020					
	Capital Stock (Note 20)	Additional Paid in Capital (Note 20)	Remeasurement Gains on Defined Benefit Plans (Note 25)	Retained Earnings		Total
				Unappropriated (Note 20)	Appropriated (Note 20)	
Balances as at January 1, 2020	₱3,487,727,331	₱15,260,664	₱105,823,430	₱5,187,252,398	₱13,719,000,000	₱22,515,063,823
Net income	–	–	–	1,493,859,170	–	1,493,859,170
Other comprehensive loss	–	–	(72,782,168)	–	–	(72,782,168)
Total comprehensive income	–	–	(72,782,168)	1,493,859,170	–	1,421,077,002
Appropriation for project development (Note 20)	–	–	–	(13,500,000,000)	13,500,000,000	–
Reversal of appropriation (Note 20)	–	–	–	11,241,100,000	(11,241,100,000)	–
Dividends declared (Note 20)	–	–	–	(1,247,287,500)	–	(1,247,287,500)
Balances as at December 31, 2020	₱3,487,727,331	₱15,260,664	₱33,041,262	₱3,174,924,068	₱15,977,900,000	₱22,688,853,325

See accompanying Notes to Parent Company Financial Statements.



DMCI PROJECT DEVELOPERS, INC.**(A Subsidiary of DMCI Holdings, Inc.)****PARENT COMPANY STATEMENTS OF CASH FLOWS**

	Years Ended December 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱6,062,171,569	₱2,124,532,718
Adjustments for:		
Depreciation and amortization (Notes 12, 13, 14 and 24)	524,901,414	548,077,108
Interest expense (Notes 16, 17 and 26)	115,006,590	42,820,866
Net movement in net pension liability (Note 25)	71,075,120	(5,801,158)
Unrealized foreign exchange gain (loss)	(5,315)	5,249
Dividend income (Note 11)	(58,000,000)	(80,877,000)
Finance income (Notes 6, 7 and 22)	(340,700,280)	(361,053,109)
Gain on sale of undeveloped parcel of land (Notes 9 and 23)	(12,431,642)	(6,406,705)
Operating income before changes in working capital	6,362,017,456	2,261,297,969
Decrease (increase) in:		
Receivables and contract assets (Notes 7 and 11)	(6,244,199,885)	(1,477,306,307)
Real estate inventories (Notes 7, 9 and 16)	1,280,152,637	(2,328,224,617)
Other current assets (Note 10)	(543,364,510)	(854,965,971)
Increase (decrease) in:		
Accounts and other payables (Note 18)	(839,187,401)	879,587,611
Liabilities for purchased land (Notes 17 and 26)	(448,235,434)	123,442,490
Contract liabilities and customers' advances and deposits (Note 19)	(1,198,018,819)	801,125,352
Payables to related parties	(94,070,203)	(201,960,550)
Net cash generated from (used in) operations	(1,724,906,159)	(797,004,023)
Interest received	340,700,280	361,053,109
Income tax paid	(909,871,191)	(788,037,809)
Interest paid and capitalized as cost of inventory (Notes 9 and 16)	(1,407,899,395)	(1,436,506,095)
Net cash provided by (used in) operating activities	(3,701,976,465)	(2,660,494,818)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of undeveloped land (Notes 7 and 9)	28,458,000	15,354,000
Dividends received (Notes 7 and 11)	50,000,000	36,000,000
Additions to:		
Investment Properties	(253,802)	(5,500,000)
Software cost (Note 13)	(2,656,932)	(52,256,674)
Investment in subsidiaries, associates and joint venture (Note 11)	(117,000,000)	(627,573,619)
Property and equipment (Note 14)	(169,903,335)	(443,899,256)
Net increase in other noncurrent assets	501,404,753	750,497,002
Net cash provided by (used in) investing activities	290,048,684	(327,378,547)

(Forward)

	Years Ended December 31	
	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES (Note 32)		
Proceeds from loans (Note 16)	₱9,957,831,560	₱10,849,810,000
Payments of loans (Note 16)	(5,679,191,797)	(8,358,195,851)
Dividends paid (Note 20)	(1,145,000,000)	(547,287,500)
Interest paid	(2,755,695)	(15,350,031)
Net cash provided by (used in) financing activities	3,130,884,068	1,928,976,618
EFFECT OF CHANGE IN EXCHANGE		
RATES ON CASH AND CASH EQUIVALENTS	5,315	(5,249)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(281,038,398)	(1,058,901,996)
CASH AND CASH EQUIVALENTS AT		
BEGINNING OF YEAR	4,668,788,657	5,727,690,653
CASH AND CASH EQUIVALENTS AT		
END OF YEAR (Note 6)	₱4,387,750,259	₱4,668,788,657

See accompanying Notes to Parent Company Financial Statements.



DMCI PROJECT DEVELOPERS, INC.

(A Subsidiary of DMCI Holdings, Inc.)

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

DMCI Project Developers, Inc. (the Parent Company) was incorporated and domiciled in the Republic of the Philippines and registered with the Securities and Exchange Commission (SEC) on April 27, 1995. The Parent Company is organized to deal and engage in the development of residential subdivisions and construction of condominium and housing units. The Parent Company offers range of products from middle-income to high-end housing and condominium projects.

The Parent Company is majority-owned by DMCI Holdings, Inc. (DMCI-HI), its ultimate parent company, partially-owned by D.M. Consunji, Inc. (also a subsidiary of DMCI-HI), and the rest by its directors and officers.

The Parent Company's registered office and principal place of business is at DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, Makati City.

The accompanying parent company financial statements were approved and authorized for issue by the Board of Directors (BOD) on February 24, 2022.

2. Basis of Preparation

The accompanying parent company financial statements have been prepared using the historical cost basis. The parent company financial statements are presented in Philippine Peso (₱), which is also the Parent Company's functional and presentation currency. All amounts are rounded off to the nearest Peso unless otherwise indicated.

Statement of Compliance

The parent company financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs as issued and approved by SEC in response to COVID-19 pandemic.

The Parent Company has availed of the relief granted by the SEC under Memorandum Circular (MC) No. 34-2020 which further extended the deferral of PIC Q&A 2018-12-D (assessment if the transaction price includes a significant financing component) until December 31, 2023.

The Parent Company has also availed of the relief granted by SEC under MC No. 34-2020 deferring the adoption of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, *Borrowing Cost* (the IFRIC Agenda Decision on Borrowing Cost) until December 31, 2023.

SEC MC No. 34-2020 deferring the adoption of the exclusion of land in the calculation of percentage of completion is not applicable to the Parent Company as it is already in full compliance with the requirements of the provisions of the Philippine Interpretations Committee Q&A No. 2018-12.

As of December 31, 2021 and 2020 capitalized borrowing cost included as part of the carrying amount of real estate inventories amounted to ₱1,297.63 million and ₱1,159.72 as of December 31, 2021 and 2020, respectively (see Note 9).

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations Committee (PIC).



3. Changes in Accounting Policies

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the Parent Company's financial statements are consistent with those of the previous financial year, except for the adoption of new standards effective in 2021. The Parent Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of these new standards did not have a significant impact on the financial statements of the Parent Company.

- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

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

This amendment is not applicable to the Parent Company as there are no rent concessions granted to the Parent Company as a lessee.

- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

The amendments provide certain temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR), as well as the required disclosures.

This amendment is not applicable to the Parent Company.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Parent Company does not expect that the future adoption of the said pronouncements will have a significant impact on its parent company financial statements. The Parent Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.



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

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

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

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

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

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

- *Annual Improvements to PFRSs 2018-2020 Cycle*

- Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
- Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

Effective beginning on or after January 1, 2023

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

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).



An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Parent Company.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Parent Company.

Effective beginning on or after January 1, 2024

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

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Parent Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.



Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

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

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

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

The Parent Company is currently assessing the impact of adopting these amendments.

4. Significant Accounting Policies

Current versus Noncurrent Classification

The Parent Company presents assets and liabilities in parent company statement of financial position based on current and noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or,
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Parent Company classifies all other liabilities as noncurrent.

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



Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to the Parent Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

For assets and liabilities that are recognized in the parent company financial statements on a recurring basis, the Parent Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial reporting date.

The Parent Company's management determined the policies and procedures for both recurring and nonrecurring fair value measurement.

For the purpose of fair value disclosures, the Parent Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Recognition and Measurement of Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



Financial assets

a. Initial recognition

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL).

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

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

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

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

The Parent Company's financial assets comprise of financial assets at amortized cost.

b. Subsequent measurement – Financial assets at amortized cost

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

- the asset is held within a business model, the objective of which is to hold financial assets in order to collect contractual cash flows; and,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Receivables from sale of real estate inventories relate to "Installment contracts receivable" account under statement of financial position caption "Receivables". The Parent Company entered with various purchase agreements with financial institutions whereby the related installment contracts receivable are sold on a with recourse basis. The risk and rewards associated with the asset retains with the Parent Company.

The Parent Company classified cash in banks, cash equivalents, receivables, deposit in escrow fund under "Other current assets" and recoverable deposits under "Other noncurrent assets" as financial assets at amortized costs (see Notes 6, 7, 10, 15 and 31).



c. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Parent Company's statement of financial position) when:

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

When the Parent Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Parent Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Parent Company also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Parent Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Parent Company could be required to repay.

d. Impairment

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

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash in banks, cash equivalents, and deposit in escrow fund, the Parent Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Parent Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. To estimate the ECL, the Parent Company uses the ratings published by a reputable rating agency.



For receivables and contract reception, except for receivables from related parties where the Parent Company applies general approach, the Parent Company applies a simplified approach in calculating ECLs. Therefore, the Parent Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Parent Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For its contract assets and installment contracts receivable (ICR), the Parent Company uses the vintage analysis for ECL by calculating the cumulative loss rates of a given ICR pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

As these are future cash flows, these are discounted back to the time of default using the appropriate EIR, usually being the original EIR or an approximation thereof. The Parent Company considers contract assets and installment contracts receivable in default when sales are cancelled and supported by a notarized cancellation letter executed by the Parent Company and unit buyer. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal or external information indicates that it is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For other receivables, the Parent Company uses a provision matrix to calculate ECLs. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type). The provision matrix is initially based on the Parent Company's historical observed default rates. The Parent Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

For receivables from related parties, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

In addition, the Parent Company considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

a. Initial recognition and measurement

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

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Transaction costs are deducted against loans payable and are amortized over the terms of the related borrowings using the effective interest method.



The Parent Company's financial liabilities comprise of loans and borrowings (financial liabilities at amortized cost).

b. Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

The Parent Company's loans and borrowings include accounts and other payables, payables to related parties, loans payable, liabilities for purchased land and subscription payable (see Notes 16, 17, 18, 28 and 31).

c. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the parent company statement of income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the parent company statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Parent Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Parent Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Parent Company and all of the counterparties.

Real Estate Inventories

Real estate inventories consist of subdivision land, residential houses and lots and condominium units for sale and development. These are properties acquired or being constructed for sale in the ordinary course of business rather than to be held for rental or capital appreciation. These are held as inventory and are measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Land and land improvement cost;
- Amounts paid to contractors for construction and development of subdivision land, residential houses and lots and condominium units; and,
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads, capitalized borrowing costs and other related costs.
-

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less costs to complete and the estimated costs of sale. The carrying amount of inventories is reduced through the use of allowance account and the amount of loss is charged to profit or loss.

Undeveloped land is carried at lower of cost and NRV.



The costs of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs. The total costs are allocated pro-rata based on the relative size of the property sold.

Valuation allowance is provided for real estate held for sale and development when the NRV of the properties are less than their carrying amounts.

Investments in Subsidiaries, Associates and Joint Venture

Investment in Subsidiaries

The Parent Company's investment in subsidiaries is accounted for using cost method less accumulated impairment losses. A subsidiary is an entity over which the Parent Company has control. Control is achieved when the Parent Company is exposed, or has rights to, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Parent Company controls an investee if and only if the Parent Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and,
- The ability to use its power over the investee to affect its returns.

The Parent Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary.

The Parent Company recognizes income from the investment only to the extent that the Parent Company receives distributions from accumulated profits of the investee arising after the date of acquisition. The Parent Company recognizes dividend from a subsidiary in the parent company statement of income when its right to receive the dividend is established. Distributions received in excess of such profits are regarded as recovery of investment and are recognized as a reduction from the cost of the investment.

Investment in Associates and Joint Venture

An associate is an entity in which the Parent Company has significant influence and which is neither a subsidiary. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over these policies.

Joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Parent Company's investment in associates and joint venture is accounted for using the cost method less provisions for impairment losses.

The Parent Company recognizes income from the investment only to the extent that it receives distributions from accumulated profits of the associates and joint venture. The Parent Company recognizes dividend from associates and joint venture in the parent company statement of income when its right to receive the dividend is established.



Investment Properties

Investment properties comprise of completed properties that are held to earn rentals or capital appreciation or both and that are not occupied by the Parent Company.

The Parent Company uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation.

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged to profit or loss in the period in which the costs are incurred.

Depreciation of investment properties are computed using the straight line method over the estimated useful lives (EUL) of assets of 20 years. The EUL and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

Investment properties are derecognized when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the parent company statement of income in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of the property for measurement or for disclosure purposes.

Property and Equipment

Property and equipment, except for land, are stated at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment in value.

The initial cost of property and equipment comprises its purchase price, including any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

Depreciation of property and equipment commences once the property and equipment are available for use and is calculated on a straight-line basis over the EUL of the assets, as follows:

	Years
Building and leasehold improvements	20
Office machines and equipment	3
Office furniture and fixtures	3
Transportation equipment	5
Construction machinery and equipment	5



The residual values, EUL and the depreciation method are reviewed at each financial reporting date to ensure that the period and the method of depreciation is consistent with the expected pattern of economic benefits from items of property and equipment.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is credited or charged to the parent company statement of income.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the parent company statement of income in the year the item is derecognized.

Intangible Assets

Software cost

Costs that are directly associated with identifiable and unique software controlled by the Parent Company and will generate economic benefits exceeding costs beyond one (1) year, are recognized as intangible assets to be measured at cost less accumulated amortization and accumulated impairment, if any. Otherwise, such costs are recognized as expense as incurred.

Expenditures which enhance or extend the performance of computer software programs beyond their original specifications are recognized as capital improvements and added to the original cost of the software. System development costs, recognized as assets, are amortized using the straight-line method over three (3) years. Where an indication of impairment exists, the carrying amount of computer system development costs is assessed and written down immediately to its recoverable amount.

Other Assets

Other current and noncurrent assets pertain to resources controlled by the Parent Company as a result of past events and from which future economic benefits are expected to flow to the Parent Company.

Advances to contractors and suppliers

Advances to contractors and suppliers are carried at cost less impairment losses, if any. These are classified based on the actual realization of such advances determined with reference to usage/realization of the asset to which it is intended for (e.g., real estate inventories, investment properties, property and equipment).

Deposit in escrow fund

Deposit in escrow pertains to cash deposited in a local bank that is restricted from being exchanged or used to settle a liability. Deposit in escrow is classified as current asset if it is expected to be used and released from restriction within 12 months after the reporting period. Otherwise, this is presented as part of noncurrent assets.

Value-added tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

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



VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount. The net amount of VAT payable from the taxation authority is included as part of “Accounts and other payables” in the parent company statement of financial position.

The net amount recoverable from, or payable to, the taxation authority within 12 months from end of reporting period is presented as current; otherwise the amount is presented as noncurrent.

Prepaid expenses

Prepaid expenses include prepayments for taxes and licenses and insurance and are carried at cost less amortized portion.

Impairment of Nonfinancial Assets

The Parent Company assesses at each financial reporting date whether there is an indication that its nonfinancial asset (e.g., investment properties, property and equipment, software costs, investments in associates and joint venture, other current and noncurrent nonfinancial assets) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Parent Company makes an estimate of the asset’s recoverable amount.

Property and Equipment, Investment Properties, Software Costs and Other Nonfinancial Assets

The Parent Company assesses at each reporting date whether there is an indication that these assets may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Parent Company makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash generating unit’s fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, depletion and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

Investments in subsidiaries, associates and joint venture

For investments in subsidiaries, associates and joint venture, the Parent Company determines whether it is necessary to recognize any additional impairment loss with respect to the Parent Company’s net investment in the investee companies. The Parent Company determines at each reporting date whether there is any objective evidence that the investment in subsidiaries, associates and joint venture or jointly controlled entity is impaired. If this is the case, the Parent Company calculates the amount of impairment as being the difference between the carrying value and the recoverable amount of the investee company and recognizes the difference in the parent company statement of income.

Liabilities for Purchased Land

Liabilities for purchase of land represent unpaid portion of the acquisition costs of raw land for future development, including other costs and expenses incurred to effect the transfer of title of the property. Noncurrent portion of the carrying amount is discounted using the applicable interest rate for similar type of liabilities at the inception of the transactions.



Equity

Capital stock

The Parent Company records capital stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity share. Incremental costs incurred directly attributable to the issuance of new shares are deducted from proceeds.

When the shares are sold at premium, the difference between the proceeds at the par value is credited to “Additional paid-in capital” account. Direct costs incurred related to equity issuance are chargeable to “Additional paid-in capital” account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Retained earnings

Retained earnings represent accumulated earnings of the Parent Company less dividends declared and adjustments resulting from adoption of new accounting policy/standard. Appropriated retained earnings are set aside for future business expansions.

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

Revenue and Income Recognition

Revenue from Contract with Customers

The Parent Company primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contract with customers is recognized when control of the goods or services are transferred to the customer at the amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those goods and services. The Parent Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to their customers. The following specific recognition criteria must also be met before revenue is recognized:

Real estate sales recognized over time using output method

- *Real estate sales*

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

In measuring the progress of its performance obligation over time, the Parent Company uses the output method. The Parent Company recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report prepared by project engineers, and reviewed and approved by area managers under construction department which integrates the surveys of performance to date of the construction activities for both subcontracted and those that are fulfilled by the developer itself.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as installment contracts receivable, under “Receivables”, is included in the “Contract assets” account in the asset section of the parent company statement of financial position.



Any excess of collections over the total of recognized installment contracts receivable and contract assets is included in the "Contract liabilities" account in the liabilities section of the parent company statement of financial position.

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

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

Real estate sales recognized over time using output method

- *Contractor's revenue*

Revenue from construction contracts are recognized over time (POC) using the input method. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation, or the total estimated costs of the project. The Parent Company uses the cost accumulated by the accounting department to determine the actual resources used. Input method exclude the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on onerous contracts are recognized immediately when it is probable that the total unavoidable contract costs will exceed total contract revenue. The amount of such loss is determined irrespective of whether or not work has commenced on the contract; the stage of completion of contract activity; or the amount of profits expected to arise on other contracts, which are not treated as a single construction contract. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements that may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined. Profit incentives are recognized as revenue when their realization is reasonably assured. The asset "Costs and estimated earnings in excess of billings on uncompleted contracts", which is presented under "Contract assets", represents total costs incurred and estimated earnings recognized in excess of amounts billed. The liability "Billings in excess of costs and estimated earnings on uncompleted contracts", which is presented under "Contract liabilities", represents billings in excess of total costs incurred and estimated earnings recognized. Contract retention receivables are presented as part of "Trade receivables" under the "Receivables" account in the parent company statement of financial position.

Contract Balances

Receivables

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



Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Parent Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. This is reclassified as installment contracts receivable when the monthly amortization of the customer is already due for collection.

Contract liabilities

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

Contract liability arises when the payment is made or the payment is due (whichever is earlier) from customers before the Parent Company transfers goods or services to the customer. Contract liabilities are recognized as revenue when the Parent Company performs (generally measured through POC) under the contract. The contract liabilities also include payments received by the Parent Company from the customers for which revenue recognition has not yet commenced.

Using the practical expedient in PFRS 15 (except for customer contracts related to real estate sales where the Parent Company opted to defer the accounting for significant financing component), the Parent Company does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised service to the customers and when the customer pays for that service will be one (1) year or less.

Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Parent Company expects to recover them. The Parent Company's commission payments to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to "Cost of real estate sales" account in the parent company statement of income in the period in which the related revenue is recognized as earned. Capitalized cost to obtain a contract is included in "Other current and noncurrent assets" account in the parent company statement of financial position. Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract fulfillment assets

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

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



The Parent Company's contract fulfillment assets pertain to connection fees and land acquisition costs included in the "Real Estate Inventories" account in the parent company statement of financial position.

Amortization, derecognition and impairment of contract fulfillment assets and capitalized costs to obtain a contract

The Parent Company amortizes contract fulfillment assets and capitalized costs to obtain a contract to cost of real estate sales over the expected construction period using POC, following the pattern of real estate revenue recognition.

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

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

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

Where a contract is anticipated to make a loss, there judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Other Revenue and Income Recognition

Forfeitures and cancellation of real estate contracts

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

Finance income

Interest income is recognized as it accrues (using the EIR method, i.e, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividend income

Dividend income is recognized when the Parent Company's right as a shareholder to receive payment is established, which is generally when BOD approve the dividend.



Management fees

Revenue from management fees is recognized when earned and is included in the “Other income” account under the parent company statement of income.

Rental income

Rental income from investment properties is recognized in profit or loss on a straight-line basis over the lease term for non-cancellable lease or based on the terms of the lease contract for cancellable lease. This is included under “Other income” account in the parent company statement of income.

Other income

Other income is recognized when the related services have been rendered.

General, Administrative and Other Expenses

These are recognized in the parent company statement of income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the parent company statement of income:

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

Costs and expenses are generally recognized as they are incurred and measured at the amount paid or payable.

Foreign Currency Translations and Transactions

The parent company financial statements are presented in Philippine Peso, which is its functional and presentation currency. The Parent Company determines its own functional currency and items included in the parent company financial statements are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the financial reporting date. All differences are taken to the parent company statement of income for the year.

Pension Costs

The Parent Company has a noncontributory defined benefit multiemployer retirement plan.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.



The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost;
- Net interest on the net defined benefit liability or asset; and,
- Remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by an independent qualified actuary.

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

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

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Parent Company, nor can they be paid directly to the Parent Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Parent Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Borrowing Costs

As discussed above, the Parent Company availed of the relief granted by SEC under MC No. 34-2020 (see Note 9). Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in "Real estate inventories" account in the parent company statement of financial position). All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Parent Company's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of practical completion.



Capitalization of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Borrowing costs are also capitalized on the purchased cost of a site property acquired specially for development but only where activities necessary to prepare the asset for development are in progress.

Income Taxes

Current tax

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

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized OCI or in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences with certain exception. Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in associates and joint ventures.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the financial reporting date. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged against or credited to income for the period.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.



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

Leases

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

Parent Company as a lessor

Leases where the Parent Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized as income on a straight-line basis over the lease term and is included as other income in the parent company statement of income. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rent is recognized as revenue in the period it is earned.

Parent Company as Lessee

The Parent Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. It recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Parent Company has no lease arrangements qualifying under PFRS 16.

Provisions

Provisions are recognized only when the Parent Company has: (a) a present obligation (legal or constructive) as a result of a past event; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and, (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at each financial reporting date and adjusted to reflect the current best estimate.

Contingencies

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

Events After the Reporting Period

Post year end events up to the date of the auditor's report that provide additional information about the Parent Company's position at reporting date (adjusting events) are reflected in the parent company financial statements. Any post year end events that are not adjusting events are disclosed in the parent company financial statements when material.



5. Significant Accounting Judgements and Estimates

The preparation of the parent company financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions used in the parent company financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the parent company financial statements. Actual results could differ from such estimates.

Judgments

In the process of applying the Parent Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the parent company financial statements:

Revenue recognition

Revenue recognition method and measure of progress

The Parent Company concluded that real estate sales is to be recognized over time because (a) the Parent Company's performance does not create an asset with an alternative use; and, (b) the Parent Company has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Parent Company's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. The Parent Company also considers the buyer's commitment to continue the sale which may be ascertained through the significance of the buyer's initial payments and the stage of completion of the project. The buyers' commitment is evaluated based on collections, credit standing and historical collection from buyers. In determining whether the sales prices are collectible, the Parent Company considers that initial and continuing investments of the buyer reaching a certain level of payment which would demonstrate the buyer's commitment to pay. Collectability is also assessed by considering factors such as history with the buyer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of buyers' equity before allowing revenue recognition.

In measuring the progress of its performance obligation over time, the Parent Company uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Parent Company specialists (project engineers).

Assessment of significant influence

The Parent Company classifies its investee companies as an associate if the Parent Company has significant influence in the investee company. Significant influence is presumed to exist if the Parent Company has a holding of 20.00% or more of the voting power of the investee. Holding of less than 20.00% of the voting power is presumed not to give rise to significant influence, unless it can be clearly demonstrated that there is in fact significant influence.

As of December 31, 2021 and 2020, the Parent Company holds 4.62% interest in Celebrity Sports Plaza, Inc. (CSPI). The Parent Company exercises significant influence in CSPI due to the presence of the Parent Company's Chairman and Treasurer in the Board of CSPI. Hence, the Chairman of Parent Company effectively have a participation in the policy-making processes of CSPI (see Note 11).



Impairment of nonfinancial assets

The Parent Company assesses the impairment of nonfinancial assets (e.g., investment properties, property and equipment, software costs, investments in subsidiaries, associates and joint venture and other nonfinancial assets) whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Parent Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of usage of the acquired assets or the strategy for the Parent Company's overall business; and,
- significant negative industry or economic trends.

The Parent Company estimates the recoverable amount as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use or its net selling price. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Parent Company is required to make estimates and assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

As of December 31, 2021, and 2020, no indicators of impairment have been identified for the Parent Company's nonfinancial assets. See Notes 10, 11, 12, 13, 14 and 15 for the carrying values of these nonfinancial assets.

Evaluation whether the acquired set of assets constitute a business

In determining whether a transaction or an event is a business combination, the Parent Company assessed whether the assets acquired and liabilities assumed constitute a business. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. Further, a business consists of inputs and processes applied to those inputs that have the ability to create outputs.

The Parent Company and LIDC executed a deed of assignment of shares wherein the shareholders of LIDC sells, conveys, transfers, and assigns all their rights, interests and titles in and to the shares for a total consideration amounting to ₱624.35 million. As of purchase date, the assets of LIDC mainly consists of land and building leased out to tenants. The Parent Company assessed that the acquisition does not constitute a business. In making the judgment, the Parent Company elected to apply the optional concentration test to determine whether the acquired land to be used for future projects constitute a business. The Parent Company has determined that the acquisition is a purchase of an asset as the acquisition passed the concentration test due to: a) the land and building is considered a single identifiable asset b) substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset. As such, the transaction was accounted for as an acquisition of an asset and the entire consideration was recognized as part of real estate inventories in the statement of financial position (see Note 9).

Contingencies

The Parent Company is involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside legal counsel handling the defense in these matters and is based upon an analysis of potential results. The Parent Company currently does not believe these proceedings will have a material effect on the Parent Company's financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (see Note 29).



Management's Use of Estimates

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

Revenue and cost recognition on real estate projects

The assessment process for the POC and the estimated project development costs requires technical determination by management's specialists (project engineers). The Parent Company applies POC method in determining real estate revenue. The POC is measured principally on the basis of the estimated completion of a physical proportion of the contract work based on the inputs of the internal project engineers.

In addition, the Parent Company requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Parent Company.

Revenue from real estate sales amounted to ₱24,101.97 million and ₱15,854.27 million in 2021 and 2020, respectively (see Note 21).

Provision for expected credit losses on installment contracts receivable and contract assets

The Parent Company uses the vintage approach for installment contracts receivable and contract assets.

(i) Installment contracts receivable and contract assets

Vintage analysis calculates the vintage default rate of each period through a ratio of default occurrences of each given point in time in that year to the total number of receivable issuances or occurrences during that period or year. The rates are also determined based on the default occurrences of customer segments that have similar loss patterns (i.e., by payment scheme).

The vintage analysis is initially based on the Parent Company's historical observed default rates. The Parent Company adjusts the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., bank lending rates and interest rates) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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

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

(ii) Other receivables

The Parent Company uses a provision matrix to calculate ECLs for other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type).



The provision matrix is initially based on the Parent Company's historical observed default rates. The Parent Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. No resulting expected credit losses resulted from the analysis.

As of and for the years ended December 31, 2021 and 2020, the Parent Company has not recognized impairment losses on receivables and contract assets.

Evaluation of net realizable value of real estate inventories

The Parent Company adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Parent Company in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

In line with the impact of COVID-19, the Parent Company experienced limited selling activities that resulted to lower sales in 2020. In evaluating NRV, recent market conditions and current market prices have been considered.

Real estate inventories carried at cost amounted to ₱40,611.92 million and ₱40,290.23 million as of December 31, 2021 and 2020, respectively (see Note 9).

Estimating useful lives of property and equipment, software costs and investment properties

The Parent Company estimates the useful lives of its property and equipment, software costs and investment properties based on the period over which the assets are expected to be available for use. The EUL of investment properties, software costs and property and equipment are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. A reduction in the EUL of investment properties, software costs and property and equipment would increase the recorded depreciation and amortization expense and decrease the related asset accounts.

The carrying value of the Parent Company's property and equipment amounted to ₱1,685.67 million and ₱1,848.10 million as of December 31, 2021 and 2020, respectively (see Note 14). The carrying value of software amounted to ₱12.33 million and ₱65.56 million as of December 31, 2021 and 2020, respectively (see Note 13). The carrying value of investment properties amounted to ₱95.66 million and ₱109.11 million as of December 31, 2021 and 2020, respectively (see Note 12).

Recognizing deferred tax assets

The Parent Company reviews the carrying amounts of deferred taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Parent Company will generate sufficient taxable income to allow all or part of deferred tax assets to be utilized.

The deferred tax assets recognized amounted to ₱123.42 million and ₱117.42 million as of December 31, 2021 and 2020, respectively (see Note 27).



Estimation of defined benefit obligation and other retirement benefits

The determination of the obligation and cost of retirement and other employee benefits is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rates, salary increase rates and pension increases (see Note 25). Actual results that differ from the Parent Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While the Parent Company believes that the assumptions are reasonable and appropriate, significant differences between actual experiences and assumptions may materially affect the cost of employee benefits and related obligations.

The Parent Company also estimates other employee benefits obligation and expense, including the cost of paid leaves based on historical leave availment of employees, subject to the Parent Company's policy. These estimates may vary depending on the future changes in salaries and actual experiences during the year. The net pension liability as at December 31, 2021 and 2020 amounted to ₱126.25 million and ₱203.02 million, respectively (see Note 25).

6. Cash and Cash Equivalents

This account consists of:

	2021	2020
Cash on hand and in banks	₱3,635,452,113	₱3,194,556,183
Cash equivalents	752,298,146	1,474,232,474
	₱4,387,750,259	₱4,668,788,657

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months, depending on the immediate cash requirements of the Parent Company, and earn interest at the prevailing short-term investment rates ranging from 0.19% to 1.75% in 2021 and 0.5% to 3.50% in 2020.

Interest income earned on bank deposits and cash equivalents amounted to ₱20.27 million and ₱48.05 million for the years ended December 31, 2021 and 2020, respectively (see Note 22).

7. Receivables

This account consists of:

	2021	2020
Trade		
Installment contracts receivable	₱2,894,101,260	₱5,745,000,578
Receivable from buyers	742,520,165	837,249,930
Contract Receivable	180,638,449	115,178,869
Receivables from related parties (Note 28)	225,073,710	125,365,479
Receivables from:		
Condominium corporations	366,584,079	335,998,668
Rental (Note 29)	76,392,799	69,739,790
Employees	25,200,594	20,869,577
Dividends receivable (Note 11)	61,037,000	53,037,000
Others	127,986,183	73,688,087
	₱4,699,534,239	₱7,376,127,978



Installment contracts receivable

Installment contracts receivable consists of accounts collectible in equal monthly principal installments with various terms up to a maximum of 10 years. These are recognized at amortized cost using the effective interest method with an annual interest rates ranging from 9.00% to 19.00%. The corresponding titles to the residential units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. Installment contracts receivable are collateralized by the related property sold. The Parent Company records any excess of progress of work over the right to an amount of consideration that is unconditional as contract assets (see Note 8). Interest income from installment contracts receivable amounted to ₱320.43 million and ₱313.00 million in 2021 and 2020, respectively (see Note 22).

The Parent Company entered into various receivable purchase agreements with various local banks whereby the Parent Company sold its installment contracts receivable on a “with recourse basis” in the aggregate credit facility agreement amounting to ₱2,846.65 million and ₱1,970.79 million as of December 31, 2021 and 2020, respectively.

The Parent Company retains the assigned receivables in the “Installment contracts receivable” account and records the proceeds from these sales as loans payable. The carrying value of installment contracts receivable sold on a with recourse basis and the corresponding outstanding loan obligation amounted to ₱2,441.03 million and ₱55.65 million, as of December 31, 2021 and 2020, respectively (see Note 16).

Receivables from buyers

Receivable from buyers pertain to advances for real estate taxes, deposits and other chargeable expenses to buyers which are normally collectible within one (1) year.

Receivable from condominium corporations

Receivables from condominium corporations are due and demandable.

Receivable from rental

Receivables from rental arising from lease of investment properties are due and demandable.

Receivable from employees

Receivables from employees pertain to salary and other loans granted to the Parent Company’s employees that are collectible through salary deduction, are noninterest-bearing and has various maturity dates and advances for liquidation to be used for operations.

Others

Others include advances to brokers which are expected to be collected within one (1) year.

8. Contract Assets

This account consists of:

	2021	2020
Current portion	₱10,865,845,025	₱7,694,660,988
Noncurrent portion	12,455,643,184	6,706,033,597
	₱23,321,488,209	₱14,400,694,585



The movement in contract assets is mainly due to new real estate sales recognized during the period, and increase in construction accomplishments resulting to higher percentage of completion. This is reduced by reclassification to installment contracts receivable when monthly amortization of the customer becomes due for collection.

9. Real Estate Inventories

This account consists of:

	2021	2020
Condominium units and subdivision land for sale	₱23,236,211,508	₱22,790,448,509
Land - at cost	17,375,704,508	17,499,783,793
	₱40,611,916,016	₱40,290,232,302

Real estate inventories are carried at cost which is lower than their respective net recoverable value.

Borrowing costs capitalized in 2021 and 2020 amounted to ₱1,407.90 million and ₱1,436.51 million, respectively. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization in 2021 and 2020 are 4.60% and 5.01 %, respectively (see Notes 3 and 16). The capitalized amount is the actual borrowing costs incurred, less any investment income on temporary investment of the borrowing. As of December 31, 2021 and 2020, the capitalized borrowing cost included in the cost of real estate inventories amounted to ₱1,297.63 million and ₱1,159.72 million, respectively (see Note 2).

No provision for impairment and reversal were recognized in 2021 and 2020. There are no real estate inventories used as collateral or pledged as security to secure liabilities.

A summary of the movement in real estate inventories is set out below:

	2021	2020
Balance at beginning of year	₱40,290,232,302	₱36,897,016,728
Construction/development cost incurred	14,610,522,722	11,620,613,420
Land acquired	589,788,407	2,577,070,955
Borrowing costs capitalized (Note 16)	1,407,899,395	1,436,506,095
Cost of undeveloped land sold	(16,026,358)	(8,947,295)
Transfer to property and equipment (Note 14)	(140,134,599)	(362,567,842)
Cost of real estate sales	(16,130,365,853)	(11,869,459,759)
Balance at end of year	₱40,611,916,016	₱40,290,232,302

As discussed in Note 5, On October 1, 2020, the acquisition of LIDC was considered as acquisition of an asset and did not result to any goodwill. The purchase price consideration has been fully allocated to undeveloped land acquired during the year amounting to ₱624.35 million since the land will be used by the Group for its future residential projects with the intention to sell in the ordinary course of business.

The Parent Company sold undeveloped parcels of land in 2021 and 2020 at a gain of ₱12.43 million and ₱6.41 million, respectively. The gain on sale of land is presented under "Other income" account in the parent company statements of income (see Note 23).



Costs of real estate sales include acquisition cost of land, cost of land improvements, amount paid to contractors, development costs, capitalized borrowing costs and other costs attributable to bringing the real state inventories to its intended condition. Depreciation expense included in the cost of real estate sales amounted to ₱321.82 million and ₱299.41 million in 2021 and 2020, respectively (see note 14).

10. Other Current Assets

This account consists of:

	2021	2020
Advances to contractors and suppliers	₱1,553,164,385	₱1,463,656,432
Cost to obtain a contract - current portion (Note 15)	1,168,965,160	1,183,706,136
Deposit in escrow fund (Note 31)	340,623,169	229,206,785
Creditable withholding tax	298,199,061	-
Prepaid expenses	91,855,231	88,472,142
Other Asset	195,965,551	140,366,552
	₱3,648,772,557	₱3,105,408,047

Advances to contractors and suppliers

Advances to contractors and suppliers are advance payments in relation to the Parent Company's project development (part of real estate inventories).

Cost to obtain a contract

The Parent Company recognized as an asset the costs to obtain a contract with customer. These pertains to commissions paid to brokers and marketing agents on the sale of real estate units.

The balance below pertains to the cost to obtain contracts included in the other current and noncurrent assets:

	2021	2020
Balance at beginning of the year	₱3,135,321,251	₱3,421,818,201
Additions	489,944,000	617,382,042
Amortization	(1,133,398,362)	(903,878,992)
Balance at end of the year	2,491,866,889	3,135,321,251
Less noncurrent portion (Note 15)	1,322,901,729	1,951,615,115
	₱1,168,965,160	₱1,183,706,136

Amortization of capitalized commission and advance commissions which are expensed as incurred totaling to ₱1,148.03 million and ₱963.49 million are presented under "Costs of real estate sales" account in the parent company statements of income for the year ended December 31, 2021 and 2020, respectively.

Deposit in escrow fund

Deposit in escrow fund pertains to fund deposits for securing license to sell (LTS) of the Parent Company's real estate projects.



Creditable withholding tax

Creditable withholding tax is attributable to taxes withhold by third parties arising from the real estate sales and will be applied against future taxes payable. The amounts as of December 31, 2021 represents the residual after application as credit against income tax payable.

Prepaid expenses

Prepaid expenses consist mainly of prepayments for taxes and insurance.

11. Investment in Subsidiaries, Associates, and Joint Venture

The details of the Parent Company's investments in subsidiaries, associates and joint venture accounted for under the cost method and the corresponding percentages of ownership follow:

	2021		2020	
	Percentages of Ownership	Acquisition Cost	Percentages of Ownership	Acquisition Cost
Subsidiaries				
Hampstead Gardens Corporation (HGC)	100.00%	₱105,587,102	100.00%	₱105,587,102
Riviera Land Corporation (RLC)	62.62%	64,609,596	62.62%	64,609,596
DMCI Homes Property Management Corporation (DPMC)	100.00%	25,000,000	100.00%	25,000,000
Zenith Mobility Solution Services, Inc. (ZMSSI)	100.00%	5,778,619	100.00%	5,778,619
DMCI Homes, Inc. (DHI)	100.00%	258,750	100.00%	258,750
DMCI-PDI Hotels, Inc. (DPHI)	100.00%	250,005	100.00%	250,005
L&I Development Corporation (LIDC)	100.00%	624,345,000	100.00%	624,345,000
		825,829,072		825,829,072
Associates				
Subic Water and Sewerage Company (Subic Water)	30.00%	₱27,467,400	30.00%	₱27,467,400
Celebrity Sports Plaza, Inc. (CSPI)	4.62%	16,900,000	4.62%	16,900,000
Contech Products South (Acotec)	33.00%	4,485,715	33.00%	4,485,715
CSN Properties, Inc. (CSN)	45.00%	1,752,265	45.00%	1,752,265
		50,605,380		50,605,380
Joint venture				
RLC DMCI Property Ventures Inc. (RDPVI)	50.00%	500,000,000	50.00%	500,000,000
DMC Estate Development Ventures Inc.	50.00%	125,000,000	—	—
Total investments		1,501,434,452		1,376,434,452
Less allowance for impairment losses		(6,237,980)		(6,237,980)
		₱1,495,196,472		₱1,370,196,472

Investment in Subsidiaries

The Parent Company's investment in subsidiaries are all incorporated and domiciled in the Philippines. The related principal activity of these subsidiaries are summarized below:

- a) HGC – real estate developer;*
- b) DHI – real estate brokerage;*
- c) RLC – real estate developer;



- d) DPMC – property management;
- e) DPHI – hotel operator
- f) ZMSSI – mobility services provider of the Parent Company; and,
- g) LIDC – real estate developer*

*Ongoing liquidation.

On July 14, 2020, the Parent Company purchased 49% of the outstanding shares of ZMSSI or 2,450,000 shares amounting to ₱3.23 million. Consequently, ZMSSI became wholly owned by the Parent Company.

As of December 31, 2021 and 2020, HGC and DHI have ceased operations and are in the process of liquidation.

In 2021 and 2020, the Parent Company's share from dividend declarations of its subsidiaries amounted to ₱13.00 million and ₱44.88 million, respectively, which were unpaid during the year of its declaration. These were recorded as "Dividend income" in the parent company statements of income and under "Receivables" account of the parent company statements of financial position (see Note 7).

Investment in Associates

CSPI

In 2015, the Parent Company made investments to CSPI amounting ₱13.40 million.

In 2016, the Parent Company disposed two (2) shares of CSPI with par value of ₱100,000 per share at ₱0.14 million and ₱0.12 million. Recorded gains of ₱0.04 million and ₱0.02 million are included in the "Other income" account. The Parent Company acquired additional 37 shares of CSPI with par value of ₱100,000 per share at ₱3.70 million. These transactions resulted to increase of percentage of ownership in the associate to 4.62% in 2016 from 3.94% in 2015. No additional acquisition or disposal was made subsequent to 2016.

Subic Water

On January 22, 1997, the Parent Company subscribed to 3,662,320 shares for an aggregate value of ₱36.62 million in Subic Water, a then joint venture company with Subic Bay Metropolitan Authority (a government-owned corporation), Olongapo City Water District and Cascal Services Limited (a company organized under the laws of England). The agreement executed by the parties on November 24, 1996 stipulated, among others, that the Parent Company shall have an equity participation equivalent to 40% in Subic Water amounting ₱74.80 million (based on the initial subscribed and paid-up capital of ₱187.00 million). The balance of the Parent Company's committed subscription to Subic Water of ₱38.00 million (net of additional subscription payment of ₱4.00 million in 1998) is expected to be paid on or before the second anniversary of the date of effectivity. As of December 31, 2021 and 2020, such committed subscription has not yet been paid.

On April 1, 2016, the Parent Company disposed its 915,580 shares of Subic Water with par value of ₱10.00 per share at ₱190.70 million, net of capital gains tax of ₱20.14 million, with a gain on sale of ₱181.28 million. This resulted to decrease in Parent Company's percentage of ownership in the associate to 30%. In 2021 and 2020, dividends received from Subic Water amounted to ₱45.00 million and ₱36.00 million, respectively.

CSN and Acotec

In previous years, allowance for impairment losses was provided for the Parent Company investments in CSN and Acotec amounting ₱1.75 million and ₱4.49 million, respectively.



L&I Development Corporation

On September 18, 2020, DMCI Project Developers, Incorporated (DPDI; Buyer; the Company) and shareholders (Sellers) of L&I Development Corporation (LIDC) executed a share purchase agreement whereby Sellers have offered to sell their shares and Buyer agreed to purchase the 418,300 shares representing 100% of the outstanding capital stock of the Corporation.

On October 1, 2020, the shareholders of LIDC and the Company entered a deed of assignment of shares to acquire 100% voting shares or 418,300 common shares of LIDC for a total purchase price of ₱624.35 million. This is effectively the acquisition date of the assets or shares.

Investment in Joint Venture

RDPVI

In October 2018, the Parent Company and Robinsons Land Corporation (RLC) entered into a joint venture agreement to develop a condominium project. Each party will hold a 50% ownership interest in the joint venture.

In March 2019, RDPVI, the joint venture entity, was incorporated to purchase, acquire and develop into a residential condominium project a portion of the parcels of land situated in Las Piñas City and to operate, manage, sell and/or lease the resulting condominium units and parking spaces therein. The Parent Company contributed ₱500.00 million for the capital of RDPVI.

DMC Estate Development Ventures Inc. (DMC EDVI)

In January 2021, the Group and DMC Urban Property Developers, Inc. (UPDI) entered into a joint venture agreement to purchase, acquire and develop parcels of land into condominium projects for residential and commercial uses. Each party will hold a 50% ownership interest in the joint venture.

In June 2021, DMC EDVI was incorporated to engage in the purchase, lease, development and sale of real estate properties for the proposed projects for this called “Fortis Property” and “Ziebart Property” both located at Chino Roces Ave., Makati City and “Delta Property” located at Quezon corner West Avenue, Quezon City. The Parent Company contributed ₱125.00 million for the capital of DMCI EDVI.

The following table summarizes the significant financial information on the Parent Company’s associates and joint venture that are material to the Parent Company:

	December 31, 2021				
	Subic Water	CSPI	RDPVI	DMC EDVI	Total
Assets					
Current assets	₱492,719,271	₱93,964,644	₱2,899,480,538	₱250,000,000	₱3,736,164,453
Noncurrent assets	1,323,436,683	1,378,916,776	88,497,428	–	2,790,850,887
	₱1,816,155,954	1,472,881,420	₱2,987,977,966	₱250,000,000	₱6,527,015,340
Liabilities					
Current liabilities	₱200,566,388	₱44,930,526	₱340,010,589	₱–	₱585,507,503
Noncurrent liabilities	209,998,079	385,874,924	1,632,661,918	–	2,228,534,921
	₱410,564,467	₱430,805,450	₱1,972,672,507	₱–	₱2,814,042,424
Equity	₱1,405,591,487	₱1,042,075,970	₱1,015,305,459	₱250,000,000	₱3,712,972,916
Revenue	₱727,720,701	₱74,244,408	₱213,305,570	₱–	₱1,015,270,679
Net income (loss)	₱94,270,314	(₱14,398,128)	₱35,725,416	₱–	₱115,597,602



	December 31, 2020			
	Subic Water	CSPI	RDPVI	Total
Assets				
Current assets	₱441,871,791	₱80,021,256	₱2,264,265,549	₱2,786,158,596
Noncurrent assets	1,349,462,237	1,370,640,390	100,883,588	2,820,986,215
	₱1,791,334,028	₱1,450,661,646	₱2,365,149,137	₱5,607,144,811
Liabilities				
Current liabilities	₱211,897,623	44,592,082	₱317,250,653	₱573,740,358
Noncurrent liabilities	144,063,619	377,244,722	1,068,318,443	1,589,626,784
	₱355,961,242	₱421,836,804	₱1,385,569,096	₱2,163,367,142
Equity	₱1,435,372,786	₱1,028,824,842	₱979,580,041	₱3,443,777,669
Revenue	₱736,074,573	₱61,388,805	₱6,211,645	₱803,675,023
Net income (loss)	₱121,568,666	(₱16,675,616)	(₱7,691,524)	₱97,201,526

The investments in associates are accounted for using the cost method less accumulated provisions for impairment losses. The Parent Company availed of the exemption from using equity method in the parent company financial statements as allowed under PAS 28.

Dividends

Dividends received from investment in subsidiaries, associates, joint ventures and other related affiliates amounted to ₱58.00 million and ₱80.88 million in 2021 and 2020, respectively.

12. Investment Properties

The rollforward analysis on this account follows:

	2021	2020
Cost		
At January 1	₱215,084,207	₱209,584,207
Additions (Note 24)	253,802	5,500,000
At December 31	215,338,009	215,084,207
Accumulated Depreciation		
At January 1	105,977,860	93,075,463
Depreciation (Note 24)	13,695,301	12,902,397
At December 31	119,673,161	105,977,860
Net Book Value	₱95,664,848	₱109,106,347

Investment properties mostly consist of condominium units and office space held for rental.

Rental income on investment properties amounted to ₱44.66 million and ₱51.12 million for the years ended December 31, 2021 and 2020, respectively (see Note 23).

The fair value of investment properties, which has been determined using discounted cash flow model with discount rates ranging from 1.66% to 4.20% and 1.71% to 2.50% in 2021 and 2020, respectively, exceeds its carrying cost. This is categorized within Level 3 of the fair value hierarchy. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The aggregate fair value at the date of valuation amounted to ₱152.96 million and ₱145.25 million as of December 31, 2021 and 2020, respectively.



There are no investment properties as of December 31, 2021 and 2020 that are pledged as security to liabilities. The Parent Company has no restrictions on the realizability of its investment properties and no contractual obligations to either purchase or construct or develop investment properties or for repairs, maintenance and enhancements.

13. Software Cost

The rollforward analysis on this account follows:

	2021	2020
Cost		
At January 1	₱360,874,413	₱308,617,740
Additions	2,656,932	52,256,673
Reclassification	(17,152,783)	-
At December 31	346,378,562	360,874,413
Accumulated Amortization		
At January 1	295,309,885	255,555,743
Amortization (Note 24)	38,734,530	39,754,142
At December 31	334,044,415	295,309,885
Net Book Value	₱12,334,147	₱65,564,528

The total costs of fully amortized software cost that are still in use amounted to ₱272.53 million and ₱237.30 million as of December 31, 2021 and 2020, respectively.

14. Property and Equipment

The rollforward analysis of this account follows:

	2021						Total
	Land, building and building improvements	Office machines and equipment	Office furniture and fixtures	Transportation equipment	Construction machinery and equipment	Tools and Equipment	
Cost							
Balances at beginning of year	₱919,771,642	₱317,160,311	₱51,070,293	₱231,364,955	₱3,018,468,561	₱-	₱4,537,835,762
Additions	9,004,795	18,307,699	120,442	2,234,928	139,948,194	287,277	169,903,335
Reclassification from undeveloped land (Note 9)	140,134,599	-	-	-	-	-	140,134,599
Balances at end of year	1,068,911,036	335,468,010	51,190,735	233,599,883	3,158,416,755	287,277	4,847,873,696
Accumulated Depreciation							
Balances at beginning of year	303,778,317	263,335,871	50,272,535	192,822,444	1,879,525,577	-	2,689,734,744
Depreciation (Notes 9 and 24)	30,279,776	30,586,780	564,913	20,168,579	390,848,425	23,110	472,471,583
Balances at end of year	334,058,093	293,922,651	50,837,448	212,991,023	2,270,374,002	23,110	3,162,206,327
Net Book Value	₱734,852,943	₱41,545,359	₱353,287	₱20,608,860	₱888,042,753	₱264,167	₱1,685,667,369
	2020						Total
	Land, building and building improvements	Office machines and equipment	Office furniture and fixtures	Transportation equipment	Construction machinery and equipment	Tools and Equipment	
Cost							
Balances at beginning of year	₱557,203,800	₱280,503,511	₱50,730,776	₱221,454,619	₱2,621,475,958	-	₱3,731,368,664
Additions	-	36,656,800	339,517	9,910,336	396,992,603	-	443,899,256
Reclassification from undeveloped land (Note 9)	362,567,842	-	-	-	-	-	362,567,842
Balances at end of year	919,771,642	317,160,311	51,070,293	231,364,955	3,018,468,561	-	4,537,835,762
Accumulated Depreciation							
Balances at beginning of year	276,148,550	231,233,418	49,509,531	170,540,070	1,466,882,606	-	2,194,314,175
Depreciation (Notes 9 and 24)	27,629,767	32,102,453	763,004	22,282,374	412,642,971	-	495,420,569
Balances at end of year	303,778,317	263,335,871	50,272,535	192,822,444	1,879,525,577	-	2,689,734,744
Net Book Value	₱615,993,325	₱53,824,440	₱797,758	₱38,542,511	₱1,138,942,984	-	₱1,848,101,018



Depreciation expense included under general and administrative expenses amounted to ₱81.60 million and ₱82.78 million for the years ended December 31, 2021 and 2020, respectively (see Note 24).

Depreciation expense attributable to direct costs for real estate sales amounted to ₱390.85 million and ₱412.64 million for the years ended December 31, 2021 and 2020, respectively.

Due to change in use of the asset, the Parent Company reclassified the construction in progress from real estate inventories to property and equipment amounting to ₱140.13 million in 2021 and undeveloped land from real estate inventories to property and equipment amounting to ₱362.57 million in 2020.

The total costs of fully depreciated property and equipment that are still in use amounted to ₱1,693.09 million and ₱1,481.51 million as of December 31, 2021 and 2020, respectively.

There are no property and equipment items that are pledged as security to liabilities as of December 31, 2021 and 2020.

15. Other Noncurrent Assets

This account consists of:

	2021	2020
Cost to obtain a contract - net of current portion (Note 10)	₱1,322,901,729	₱1,951,615,115
Recoverable deposits (Note 31)	299,786,949	234,666,578
Contract retention	96,804,983	34,616,721
	₱1,719,493,661	₱2,220,898,414

Recoverable deposits pertain to bill and guaranty deposits for the installation of utilities to residential condominium units, and houses and lots to be covered upon transfer of title to buyers. Such deposits are necessary for the development of real estate projects of the Parent Company.

Contract retention pertains to the part of contract which the Parent Company retains as security and shall be released after the period as indicated in the contract for the rectification of defects and non-compliance from the specifications indicated.

16. Loans Payable

This account consists of:

	2021	2020
Term loans and corporate notes	₱30,193,556,747	₱28,060,427,388
Liabilities on installment contracts receivable sold to banks with recourse (Note 7)	2,441,034,904	55,652,870
HomeSaver Bonds	—	198,793,240
	32,634,591,651	28,314,873,498
Less current portion of bank loans	5,710,180,522	2,832,347,920
	₱26,924,411,129	₱25,482,525,578



The current portion of bank loans consists of:

	2021	2020
Term loans and corporate notes	₱3,285,600,022	₱2,616,374,733
Liabilities on installment contracts receivable	2,424,580,500	17,179,947
HomeSaver Bonds	-	198,793,240
	₱5,710,180,522	₱2,832,347,920

Term Loans and Corporate Notes

Movement of the term loans and corporate notes follows:

	2021	2020
Balance as of January 1	₱28,215,000,000	₱25,566,666,667
Availments	4,800,000,000	10,900,000,000
Payments	(2,672,000,000)	(8,251,666,667)
	30,343,000,000	28,215,000,000
Less: unamortized debt issue cost	149,443,253	154,572,612
Balance as of December 31	30,193,556,747	28,060,427,388
Less: current portion	3,285,600,022	2,616,374,733
	₱26,907,956,725	₱25,444,052,655

Philippine Peso 7-year and 5-year Term Loans due in 2027 and 2025, respectively.

In 2020, the Parent Company entered into two (2) term loan facilities with Bank of the Philippine Islands and BDO Unibank, Inc totaling to ₱8,200.00 million, of which ₱3,000.00 million and ₱5,200.00 million were drawn 2021 and 2020. The proceeds from the loan shall be used to fund the capital expenditures such as acquisition of land and other general corporate expenditures in relation to the construction of ongoing projects.

Term Loan	Quarter from Issue Date	Total
1st Term Loan	8th to 28th Quarter Final	10.00% (.50% per quarter)
	Maturity	90.00%
2nd Term Loan	1st to 20th Quarter Final	19% (1.00% per quarter)
	Maturity	81%

1st Term Loan

On April 6, 2020, July 29, 2020 and December 17, 2020, the first, second and third drawdown totaling to ₱2,850.00 million out of the ₱5,000.00 million loan facility was released. As of December 31, 2021 and 2020, the total carrying value of drawdowns made during year 2020 amounted to ₱2,833.19 million and ₱2,830.18 million, respectively.

The initial drawdown is subject to a floating interest rate option equivalent to (i) 3-month Php BVAL reference rate plus a spread of 75 basis points per annum, or (ii) Term Deposit Facility Rate, prevailing on the relevant interest setting date. The subsequent borrowings are subject to a fixed interest rate equivalent to the 5-year BVAL reference rate yield plus a spread of 60 basis points per annum or a floor rate of 4.75% per annum, whichever is higher.

On January 28, 2021 and May 31, 2021, the fourth and fifth drawdown totaling to ₱2,150.00 million out of ₱5,000.00 million loan facility was released. As of December 31, 2021, the total carrying value of drawdowns made during the current year amounted to ₱2,135.66 million.



2nd Term Loan

On July 29, 2020 and December 17, 2020, the first and second drawdown amounting to ₱2,350.00 million out of the ₱3,200.00 million loan facility was released. As of December 31, 2021 and 2020, the total carrying value of drawdowns made during year 2020 amounted to ₱2,223.22 million and ₱2,313.66 million, respectively.

On January 28, 2021, the third drawdown amounting to ₱850.00 million out of the ₱3,200.00 million loan facility was released. As of December 31, 2021, the carrying value of drawdown made during the current year amounted to ₱819.31 million.

The second term loan shall bear interest of 4.74% payable quarterly from the date of drawdown.

Philippine Peso 7.5-Year Term Loans due in 2026

In 2019, the Parent Company entered into three (3) term loan facilities with local banks totaling to ₱19,000.00 million, of which ₱1,300.00 million, ₱5,700.00 million and ₱9,000.00 million were drawn in 2021, 2020 and 2019. The proceeds from the loan shall be used to fund the capital expenditures such as acquisition of land and other general corporate expenditures in relation to the construction of ongoing projects.

Term Loan	Quarter from Issue Date	Total
1st Term Loan	10th to 29th Quarter	10.00% (.50% per quarter)
	Final Maturity	90.00%
2nd Term Loan	10th to 29th Quarter	10.00% (.50% per quarter)
	Final Maturity	90.00%
3rd Term Loan	11th to 29th Quarter	9.50% (.50% per quarter)
	Final Maturity	90.50%

1st Term Loan

The first term loans with aggregate principal of ₱5,000.00 million were issued on March 22, 2019 and June 10, 2019, with principal amount of ₱2,500.00 million each. As of December 31, 2021 and 2020, the carrying value of the first term loan amounted to ₱4,888.35 million and ₱4,970.37 million, respectively.

2nd Term Loan

On September 4, 2019, the first drawdown amounting to ₱3,000.00 million out of the ₱9,000.00 million loan facility was released. As of December 31, 2021 and 2020, the carrying value of the first drawdown of the second term loan amounted to ₱2,954.42 million and ₱2,981.35 million, respectively.

On January 20, 2020, the second drawdown amounting to ₱3,000.00 million out of the ₱9,000.00 million loan facility was released. As of December 31, 2021 and 2020, the carrying value of the second drawdown of the second term loan amounted to ₱2,983.24 million and ₱2,980.22 million, respectively.

The second term loan shall bear interest of 5.00% to 5.12% payable quarterly from the date of drawdown.

3rd Term Loan

On September 17, 2019, the first drawdown amounting to ₱1,000.00 million out of the ₱5,000.00 million loan facility was released. As of December 31, 2021 and 2020, the carrying value of the first drawdown of the third term loan amounted to ₱989.76 million and ₱993.74 million, respectively.



In 2020, the third term loans with aggregate principal of ₱2,700.00 million were issued on April 6, 2020, July 29, 2020 and December 17, 2020, with principal amount of 1,500.00 million, ₱1,000.00 million and ₱200.00 million, respectively. As of December 31, 2021 and 2020, the carrying value of the aggregated drawdown of the third term loan amounted to ₱2,683.86 million and ₱2,681.20 million, respectively.

In 2021, the third term loans with aggregate principal of ₱1,300.00 million were issued on January 28, 2021 and August 9, 2021, with principal amount of ₱800.00 million and ₱500.00 million, respectively. Drawdown of third term loan during the current year has a total amount of ₱1,291.19 million.

The interest rate of the third term loan of 4.50% to 5.19% is fixed for five (5) years and payable every quarter from date of drawdown. The interest is subject to repricing after five (5) years for the remaining two (2) years of the loan term.

Philippine Peso 5-Year and 7-Year Corporate Notes due in 2020 to 2024

In December 2015, the Parent Company signed a corporate notes facility agreement on the issuance of Peso-denominated notes in the aggregate principal amount of ₱10,000.00 million with local banks. Proceeds of the note facility were used to fund its acquisition of real estate properties, fund its project development costs, refinance its existing indebtedness and fund other general corporate expenditures.

The notes will be issued in six (6) tranches and payments shall be made in each tranche as follows:

Series	Quarter from Issue Date	Payment for Each Quarter; Computed Based on Aggregate % of Issue	
		Amount of each Series	Total
Series F	4 th to 19 th Quarter	0.5%	(8% + 92%)
	Final Maturity	92.0%	100%
Series H	4 th to 19 th Quarter	0.5%	(8% + 92%)
	Final Maturity	92.0%	100%
Series J	4 th to 19 th Quarter	0.5%	(8% + 92%)
	Final Maturity	92.0%	100%
Series G	4 th to 27 th Quarter	0.5%	(12% + 88%)
	Final Maturity	88.0%	100%
Series I	4 th to 27 th Quarter	0.5%	(12% + 88%)
	Final Maturity	88.0%	100%
Series K	4 th to 27 th Quarter	0.5%	(12% + 88%)
	Final Maturity	88.0%	100%

Tranches 1 (Series F) and 2 (Series G) of the ₱10,000.00 million were issued on December 18, 2015 with principal amount of ₱1,000.00 million each. Tranches 3 (Series H) and 4 (Series I) were issued in January 2016 with principal amount of ₱2,500.00 million each. Tranches 5 (Series J) and 6 (Series K) were issued in February 2017 with principal amount of ₱1,500.00 million each.

In February 2017, Tranches 5 (Series J) and 6 (Series K) were issued in the aggregate principal amount of ₱1,500.00 million each.

In January 2016, Tranches 3 (Series H) and 4 (Series I) were issued in January 2016 in the aggregate principal amount of ₱2,500.00 million each.



In December 2015, Tranches 1 (Series F) and 2 (Series G) of the ₱10,000.00 million were issued in the aggregate principal amount of ₱1,000.00 million each.

The carrying amount of the notes as of December 31, 2020 are as follows:

Series	2021	2020
Series D	₱-	₱-
Series E	-	-
Series F	-	-
Series G	893,501,629	911,996,287
Series H	-	2,299,584,603
Series I	2,245,748,714	2,291,960,031
Series J	1,379,350,322	1,405,312,808
Series K	1,373,643,601	1,400,849,719
	₱5,892,244,266	₱8,309,703,448

The note is issued in registered form in the minimum denominations of ₱75.00 million and multiples of ₱25.00 million each. The interest rate shall be the PDST-R2 rate for five (5)-year (Tranche 1) and seven (7)-year treasury securities on banking day immediately preceding an Issue Date plus the Margin (150 basis points) for each of the Tranche, gross any applicable withholding taxes. Interest is payable quarterly.

Philippine Peso 7-year Corporate Notes due in 2020

In October 2012, the Parent Company signed corporate notes facility agreement on the issuance of 7-year peso-denominated notes in the aggregate amount of ₱10,000.00 million with local banks. Proceeds of the notes facility were used to fund land acquisition, general operations and project development and construction.

The notes will be issued in three (3) tranches and payments shall be made in each tranche as follows:

Quarter from Issue Date	Based on aggregate % of issue amount of each Series (Equally divided over the applicable quarters)
7 th to 10 th Quarter	2%
11 th to 14 th Quarter	4%
15 th to 18 th Quarter	5%
19 th to 27 th Quarter	12%
Final Maturity	77%
Total	100%

Tranche 1 of the ₱10,000.00 million Series C was issued on October 31, 2012 in the aggregate amount principal amount of ₱1,000.00 million. The tranche was settled in full on October 31, 2019.

Tranche 2 (Series D) and 3 (Series E) were issued on April 10, 2013 and July 30, 2013 in the aggregate principal amount of ₱4,000.00 million and ₱5,000.00 million, respectively. The outstanding balance of Tranche 2 (Series D) and 3 (Series E) was settled in full on April 2020 and July 2020, respectively.

The note is issued in registered form in the minimum denominations of ₱100.00 million and multiples of ₱10.00 million each. The interest rate shall be the PDST-F rate for seven-year treasury securities on banking day immediately preceding an Issue Date plus the Margin (125 basis points) for each of the Tranche, gross any applicable withholding taxes. Interest is payable quarterly.



Debt Issue Costs

The rollforward analysis of unamortized debt issuance cost follows:

	2021	2020
Balance as of January 1	₱154,572,612	₱109,953,199
Availments	35,949,030	81,750,000
Amortization of debt issue cost (Note 26)	(41,078,389)	(37,130,587)
Balance as of December 31	₱149,443,253	₱154,572,612

Interest

In 2021 and 2020, interest expense incurred amounted to ₱1,481.83 million and ₱1,442.20 million, respectively of which capitalized interest amounted to ₱1,407.90 million and ₱1,436.51 million, respectively (see Notes 3, 9 and 26). The average capitalization rates used are 4.60% and 5.01% of the average expenditures in 2021 and 2020, respectively.

Liabilities on Installment Contracts Receivable

Movement of the liabilities on installment contracts receivable notes follows:

	2021	2020
Balance as of January 1	₱55,652,870	₱118,910,294
Availments	5,189,040,590	-
Payments	(2,803,658,556)	(63,257,424)
Balance as of December 31	2,441,034,904	55,652,870
Less current portion	2,424,580,500	17,179,947
	₱16,454,404	₱38,472,923

As discussed in Note 7, the installment contracts receivable under the receivable purchase agreements are used as collaterals for the related loans availed. These amounted to ₱2,441.03 million and ₱55.65 million as of December 31, 2021 and 2020, respectively, and these represent net proceeds from sale of portion of Parent Company's installment contracts receivable to local banks pursuant to the receivable purchase agreements entered into by Parent Company on various dates. The agreements also provide the submission of condominium certificates of title and their related postdated checks issued by the buyers. These loans bear interest at prevailing market rates and are payable in in equal and continuous monthly payment not exceeding 120 days commencing one (1) month from date of execution. The average effective annual interest rate ranges from 3.55% to 6.00% and 4.00% to 6.19% in 2021 and 2020, respectively.

HomeSaver Bonds

Movement of the HomeSaver Bonds follows:

	2021	2020
Balance as of January 1	₱198,793,240	₱210,505,000
Issuance	-	31,560,000
Payments	(198,793,240)	(43,271,760)
Balance as of December 31	-	198,793,240
Less current portion	-	198,793,240
	₱-	₱-



Philippine Peso 3-Year and 5-Year Bonds due in 2019 and 2021

On March 21, 2016, the Parent Company offered and issued the second bonds of up to ₱500.00 million to the public through four (4) investment options, namely, Tranche D, Tranche E, Tranche F, and Tranche G.

Tranche D was issued in equal monthly installments with no maximum subscription, but priority will be given to aggregate subscriptions amounting to ₱3.60 million and less over a period of 36 months, beginning on the Initial Issue Date at a fixed interest rate of 4.75% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche D has been fully paid.

Tranche E was issued in equal monthly installments with no maximum subscription, but priority will be given to aggregate subscriptions amounting to ₱6.00 million and less over a period of 60 months, beginning on the Initial Issue Date at a fixed interest rate of 5.25% per annum and shall mature five (5) years from the Initial Issue Date. As of December 31, 2020, outstanding balance of Tranche E bonds amounted to ₱66.36 million (nil in 2021).

Tranche F was issued one-time with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱7.00 million and less on the Initial Issue Date as a single upfront investment and payable in lump sum on the Initial Issue Date at a fixed interest rate of 4.75% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche F has been fully paid.

Tranche G was issued one-time with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱7.00 million and less on the Initial Issue Date as a single upfront investment and payable in lump sum on the Initial Issue Date at a fixed interest rate of 5.25% per annum and shall mature five (5) years from the Initial Issue Date. As of December 31, 2020, outstanding balance of Tranche G bonds amounted to ₱130.17 million (nil in 2021).

Philippine Peso 3-year and 5-year Bonds due in 2019 and 2021

On November 16, 2015, the Parent Company offered and issued to the public deferred coupon-paying HomeSaver Bonds (the Bonds) in an aggregate principal amount of ₱1,000.00 million with an initial offering of ₱500.00 million for working capital and other general corporate purposes, such as marketing and administrative expenses. The Bonds will be offered through three investment options, namely: Tranche A, Tranche B and Tranche C.

Tranche A was issued in equal monthly installments with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱3.60 million and less over a period of 36 months, beginning November 16, 2015 (the Initial Issue Date) at a fixed interest rate of 4.5% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche A has been fully paid.

Tranche B was issued in equal monthly installments with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱6.00 million and less over a period of 60 months, beginning on the Initial Issue Date at a fixed interest rate of 5.00% per annum and shall mature five (5) years from the Initial Issue Date. As of December 31, 2020, outstanding balance of Tranche B bonds amounted to ₱2.26 million (nil in 2021).

Tranche C was issued one-time with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱7.00 million and less on the Initial Issue Date as a single upfront investment and payable in lump sum on the Initial Issue Date at a fixed interest rate of 4.50% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche C has been fully paid.



Covenants for term loans, corporate notes and HomeSaver bonds

The term loans, corporate notes facility agreement and HomeSaver bonds require the Parent Company to ensure that debt-to-equity ratio will not exceed 3.2 times and current ratio is at least 1.75 times. As of December 31, 2021 and 2020, the Parent Company is fully compliant to these requirements (see Note 20).

As of December 31, 2021 and 2020, all term loans, corporate notes and HomeSaver bonds recognized are unsecured.

17. Liabilities for Purchased Land

Liabilities for purchase of land represent the balance of the Parent Company's obligations to various real estate property sellers for the acquisition of various parcels of land and residential condominium units. The terms of the deeds of absolute sale covering the land acquisitions provided that such obligations are payable only after the following conditions, among others, have been complied with: (a) presentation by the property sellers of the original transfer certificates of title covering the purchased parcels of land; (b) submission of certificates of non-delinquency on real estate taxes; and, (c) physical turnover of the acquired parcels of land to the Parent Company.

The outstanding balance of liabilities for purchased land as of December 31, 2021 and 2020 are shown below:

	2021	2020
Current	₱601,817,432	₱849,023,520
Noncurrent	969,552,190	1,170,581,536
Balance at end of the year	₱1,571,369,622	₱2,019,605,056

Liabilities for purchased land were recorded at fair value at initial recognition. These liabilities for purchased land are payable over a period of two (2) to four (4) years. The fair value is derived using discounted cash flow model using the discount rate ranging from 1.67% to 4.43% and 1.71% to 2.66% in 2021 and 2020, respectively, based on applicable rates for similar types of liabilities.

18. Accounts and Other Payables

This account consists of:

	2021	2020
Accounts payable - trade	₱2,495,592,124	₱2,523,869,973
Commission payable	2,192,894,857	2,553,752,136
Retention payable	848,354,317	678,253,452
Dividend payable	800,000,000	700,000,000
Accrued expenses	393,085,745	701,946,190
Refundable deposits	292,228,612	322,413,218
Accrued interest payable (Note 16)	195,980,079	375,356,339
Others	103,563,861	51,548,239
	7,321,699,595	7,907,139,547
Less noncurrent portion of commission payable	1,079,558,646	1,172,543,426
	₱6,242,140,949	₱6,734,596,121



Commission payable pertains to the unpaid amount of the Parent Company’s payout to real estate sales agents for each contract that they obtain for the sale of real estate units. These are settled based on the collection from the contract with customers with various terms up to a maximum of 10 years. The noncurrent portion of commission payable is presented under “Other noncurrent liability” account in the parent company statements of financial position.

Accounts payable - trade are mostly composed of payable to suppliers of materials, marketing supplies and services and brokers. It includes payable to contractors that pertains to unpaid progress billings for the construction and development of real estate projects and residential units. These are noninterest-bearing and are normally settled within one (1) year.

Retention payable consists of amounts withheld from every progress billing per subcontract agreement and is expected to be settled within one (1) year. The retention serves as a security from the contractor should there be defects in the project.

Accrued expenses pertain to VAT payable, SSS, Pag-IBIG, Philhealth, withholding tax payables and other expenses and are expected to be settled within one (1) year.

Dividends payable pertains to unpaid cash dividends to shareholders expected to be settled within one (1) year.

Refundable deposits consist of deposits which are refundable due to cancellation of real estate sales as well as deposits made by unit owners upon turnover of the unit which will be remitted to its utility provider.

Others include refundable amount for security deposits, construction bond of tenants and deferred charges. Security deposits are settled upon the end of the lease term. Construction bonds are settled upon the end of the construction of the unit. These are normally settled within one (1) year. Deferred charges pertain to deferred rentals and other deferrals which are chargeable within one (1) year amounting to ₱5.86 million and ₱4.00 million as of December 31, 2021 and 2020.

19. Customers’ Advances and Deposits and Contract Liabilities

	2021	2020
Contract liabilities		
Current	₱3,546,914,502	₱4,377,480,560
Noncurrent	1,261,595,621	1,900,164,170
	4,808,510,123	6,277,644,730
Customers’ advances and deposits	4,355,230,719	4,084,114,931
	₱9,163,740,842	₱10,361,759,661

Contract Liabilities

The Parent Company requires buyers of the residential condominium units and houses and lots to pay a minimum percentage of the total selling price and the project should be beyond the preliminary stage before the Parent Company recognize a sale transaction. Contract liabilities represent the payments of buyers which do not qualify yet for revenue recognition as real estate sales and any excess of collections over the recognized revenue on sale of real estate inventories. The movement in contract liabilities is mainly due to sales reservation and advance payment of buyers and this is reduced by increase in percentage of completion of projects and real estate sales recognized upon reaching the buyer’s equity threshold.



The current portion of contract liabilities also includes billings in excess of cost and estimated earnings on uncompleted contracts amounting to ₱152.38 million which represents billings in excess of total costs incurred and estimated earnings recognized as of December 31, 2021. This also includes downpayment made by RDPVI during 2020 amounting to ₱601.67 million which is equivalent to the value of land and 15% of the contract amount less the first downpayment which is paid upon issuance of building permit (see Note 28).

The amount of revenue recognized from amounts included in contract liabilities at the beginning of the year amounted to ₱3,293.05 million and ₱3,320.19 million in 2021 and 2020, respectively.

Customers' Advances and Deposits

Other customers' advances and deposits represent collections from real estate buyers for taxes and fees payable such as documentary stamp tax and transfer tax for the transfer of title to the buyer.

20. Equity

Capital Stock

Details of the Parent Company's capital stocks as of December 31, 2021 and 2020 follow:

Common stock - ₱1 par value	
Authorized - 5,000,000,000 shares	₱5,000,000,000
Issued and outstanding - 3,487,727,331 shares	3,487,727,331
Additional paid-in capital	15,260,664

Retained Earnings

Movements in and outstanding appropriations of the Parent Company for project development are as follows:

	2021	2020
Balance as of the beginning of the year:	₱15,977,900,000	₱13,719,000,000
Additional appropriations (a)	-	13,500,000,000
Release from appropriations (a)	-	(11,241,100,000)
	₱15,977,900,000	₱15,977,900,000

a.) Appropriation

There was no appropriation nor reversal of appropriation was approved during 2021.

On December 2, 2020, the BOD approved the following resolutions:

- Reversal of appropriation amounting to ₱7,740.00 million from previously appropriated retained earnings as of December 31, 2019 which was already utilized for the development of the following projects;

<u>Project</u>	<u>Amount</u>
Mulberry Place	₱897,200,000
Prisma Residences	1,345,900,000
Brixton Place	741,800,000
Oak Harbor Residences	503,400,000
Infina Towers	736,600,000

(Forward)



Project	Amount
The Celandine	608,600,000
Kai Garden Residences	726,100,000
The Orabella	389,200,000
The Atherton	354,200,000
Verdon Parc 2	343,700,000
Fairlane Residences	326,100,000
Calathea Place	400,000,000
Satori Residences	367,200,000
	₱7,740,000,000

- Appropriation of ₱8,300.00 million from retained earnings as of December 31, 2019 to fund the development and project cost of the following projects:

Project	Amount
Prisma Residences	₱1,300,000,000
Infina Towers	200,000,000
Kai Garden Residences	620,000,000
The Orabella	50,000,000
The Atherton	350,000,000
Verdon Parc 2	800,000,000
Fairlane Residences	500,000,000
Satori Residences	820,000,000
Aston Residences	940,000,000
Cameron Residences	230,000,000
The Crestmont	400,000,000
Allegra Garden Place	930,000,000
Sonora Garden Residences	860,000,000
Alder Residences	300,000,000
	₱8,300,000,000

On January 31, 2020, the BOD approved and resolved the following resolutions:

- Reversal of appropriation amounting to ₱3,501.10 million from previously appropriated retained earnings as of December 31, 2018 which was already utilized in 2019 for the related projects below:

Project	Amount
Mulberry Place	₱392,500,000
Prisma Residences	684,000,000
Brixton Place	626,000,000
Oak Harbor Residences	636,200,000
Infina Towers	765,000,000
The Celandine	397,400,000
	₱3,501,100,000



- Appropriation of ₱5,200.00 million from retained earnings as of December 31, 2019 to fund the development and project cost of the following projects:

<u>Project</u>	<u>Appropriation</u>
Kai Garden Residences	₱1,500,000,000
The Orabella	1,000,000,000
The Atherton	800,000,000
Verdon Parc	600,000,000
Fairlane Residences	500,000,000
Calathea Place	400,000,000
Satori Residences	400,000,000
	<u>₱5,200,000,000</u>

On January 28, 2019, the BOD approved the following resolutions:

- Reversal of appropriation amounting to ₱1,177.00 million from previously appropriated retained earnings as of December 31, 2017 which was already utilized for the following projects:

<u>Project</u>	<u>Appropriation</u>
Mulberry Place	₱200,300,000
Prisma Residences	127,000,000
Brixton Place	551,700,000
Oak Harbor Residences	298,000,000
	<u>₱1,177,000,000</u>

- Appropriation of ₱4,500.00 million from retained earnings as of December 31, 2018 to fund the development and project cost of the following projects:

<u>Project</u>	<u>Appropriation</u>
Infina Towers	₱2,500,000,000
The Celandine	2,000,000,000
	<u>₱4,500,000,000</u>

b.) Declaration of Dividends

On September 30, 2021, the BOD approved and resolved the resolution for declaration of additional cash dividends in the amount of ₱800.00 million from the unrestricted retained earnings as of June 30, 2021 in favor of the current stockholders of record and payable on or before December 31, 2022.

On June 25, 2021, the BOD approved and resolved the resolution for the declaration of additional cash dividends in the amount of ₱9.00 million from the unrestricted retained earnings as of December 31, 2020 in favor of the current stockholders of record and payable in accordance with the scheduled payment. As of December 31, 2021, the dividends declared have been paid.

On June 15, 2021, the BOD approved and resolved the resolution for the declaration of additional cash dividends in the amount of ₱36.00 million from the unrestricted retained earnings as of December 31, 2020 in favor of the current stockholders of record and payable in accordance with the scheduled payment. As of December 31, 2021, the dividends declared have been paid.



On February 5, 2021, the BOD approved and resolved the resolution for the declaration of additional cash dividends in the amount of ₱400.00 million from the unrestricted retained earnings as of December 31, 2020 in favor of the current stockholders of record and payable in accordance with the scheduled payment. As of December 31, 2021, the dividends declared have been paid.

On December 2, 2020, the BOD approved the additional declaration of cash dividends amounting to ₱11.29 million from the unrestricted retained earnings as of December 31, 2019 in favor of the current stockholders of record. As of December 31, 2020, the dividends declared have been paid.

On September 22, 2020, the BOD approved the additional declaration of cash dividends amounting to ₱18.00 million from the unrestricted retained earnings as of December 31, 2019 in favor of the current stockholders of record. As of December 31, 2020, the dividends declared have been paid.

On July 6, 2020, the BOD approved the additional declaration of cash dividends amounting to ₱18.00 million from the unrestricted retained earnings as of December 31, 2019 in favor of the current stockholders of record. As of December 31, 2020, the dividends declared have been paid.

On January 31, 2020, the BOD approved the declaration of cash dividends amounting ₱1,200.00 million to stockholders of record as of December 31, 2019. As of December 31, 2020, the dividends declared have been paid.

Capital Management

The primary objective of the Parent Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The management considers capital stock, additional paid-in-capital and retained earnings as core capital of the Parent Company.

The Parent Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Parent Company may adjust the dividend payment to shareholders, return of capital to shareholders or issue new shares.

As of December 31, 2021 and 2020, the Parent Company had the following rates:

	2021	2020
Current Ratio	3:11:1	3.28:1
Debt to Equity Ratio	2:05:1	2.33:1
Asset to Equity Ratio	3:05:1	3:33:1

As at December 31, 2021 and 2020, the Parent Company is not subject to externally imposed capital requirements other than the monitoring of the Parent Company's debt to equity ratio and current ratio as part of its long-term debt requirements (see Note 16).



21. Real Estate Sales

Set out below is the disaggregation of the Parent Company's real estate sales:

	2021	2020
Type of Product		
High-rise condominium	₱22,685,122,395	₱14,722,930,416
Medium-rise condominium	208,715,656	1,011,584,705
Hybrid condominium	686,179,931	112,095,764
House and lot	521,953,203	7,656,167
	₱24,101,971,185	₱15,854,267,052

Performance obligation

The Parent Company entered into contracts to sell with one (1) identified performance obligation which is the sale of the real estate unit. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover either the: (i) serviced lot; (ii) serviced lot and house, and; (iii) condominium unit. The Parent Company concluded that there is one (1) performance obligation in each of these contracts. The Parent Company recognizes revenue from the sale of real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

After the delivery of the completed real estate unit, the Parent Company provides two-year warranty to repair minor defects on the delivered real estate unit. This is assessed by the Parent Company as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2021 and 2020 are as follows:

	2021	2020
Within one year	₱27,400,106,346	₱26,523,441,752
More than one year	38,604,479,234	49,242,219,498
	₱66,004,585,580	₱75,765,661,250

The remaining performance obligations expected to be recognized within one (1) year and in more than one (1) year relate to the continuous development of the Parent Company's real estate projects. The Parent Company's construction of condominium units are normally completed within three (3) to seven (7) years.

Contractor's Revenue

Contractors revenue arise from the Design and Build Agreement with RDPVI for the design, supply, labor and installation of material, labor and equipment, and supervision of the design and build of Sonora Garden Residences Project. The revenue is recognized over time using the POC method and applies input method to measure the progress of construction. The amount of revenue to be recognized is based on the actual costs incurred over the total budgeted cost of the project. The Company recognized ₱473.78 million and ₱238.17 million contractor's revenue for the year ended



December 31, 2021 and 2020 in relation to this agreement. The amount of revenue recognized from amounts included in advances from contract owners at the beginning of the year amounted to ₱76.62 million and ₱51.93 million in 2021 and 2020, respectively.

The remaining performance obligations expected to be recognized within one (1) year and in more than one (1) year relate to the continuous development of the construction of the project.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2021 and 2020 are as follows:

	2021	2020
Within one year	₱377,373,786	₱499,591,827
More than one year	1,996,918,081	2,111,589,341
	₱2,374,291,867	₱2,611,181,168

22. Finance Income

Finance income is derived from the following sources:

	2021	2020
Installment contracts receivable (Note 7)	₱320,434,026	₱313,001,353
Bank deposits and cash equivalents (Note 6)	20,266,254	48,051,756
	₱340,700,280	₱361,053,109

23. Other Income

This account consists of:

	2021	2020
Income from cancellation of real estate sales and other fees	₱731,518,143	₱524,904,246
Rental income (Notes 12, 28 and 29)	241,520,444	77,261,087
Penalty and other charges	67,653,687	64,212,160
Gain on sale of undeveloped land (Note 9)	12,431,642	6,406,705
Management fees (Note 28)	8,103,009	11,299,822
Others (Note 28)	181,165,846	65,662,342
	₱1,242,392,771	₱749,746,362

Others include income from the sale of backfill, holding fees, restructuring fees, maintenance dues and utilities charged to tenants.



24. General and Administrative Expenses

This account consists of:

	2021	2020
Salaries, wages and employee benefits	₱747,153,727	₱632,852,839
Taxes and licenses	491,402,218	428,222,466
Repairs and maintenance	174,380,241	188,568,836
Outside services	166,518,019	184,563,384
Depreciation and amortization (Notes 12, 13 and 14)	134,052,989	135,434,138
Marketing	117,731,389	165,857,383
Association dues	87,747,697	42,803,205
Communication, light and water	87,489,449	60,378,018
Entertainment, amusement and recreation	76,612,260	73,606,913
Retirement expense (Note 25)	70,675,684	50,555,292
Professional fees	31,865,282	23,479,584
Supplies	28,804,473	23,751,537
Transportation and travel	21,420,841	24,074,550
Miscellaneous	87,263,604	27,214,627
	₱2,323,117,873	₱2,061,362,772

Miscellaneous include rental, insurance, and other expenses. Rent expense pertains to the amount incurred for short-term lease of its sales office (see Note 3).

25. Retirement Benefits

The Parent Company has a funded, noncontributory, defined benefit pension plan covering substantially all of its regular employees. Benefits are dependent on years of service and the respective employee's final compensation. The benefits are paid in a lump sum upon retirement or separation in accordance with the terms of the plan. The Parent Company updates the actuarial valuation every year by hiring the services of a third party professionally qualified actuary. The latest actuarial valuation reports of the retirement plans were made as of December 31, 2021.

The Parent Company is a member of the DMCI Multiemployer Retirement Plan (the Plan) which is administered separately by the Board of Trustees (BOT). The responsibilities of the Retirement BOT, among others, include the following:

- To hold, invest and reinvest the fund for the exclusive benefits of the members and beneficiaries of the retirement plan and for this purpose the Retirement BOT is further authorized to designate and appoint a qualified Investment Manager with such powers as may be required to realize and obtain maximum yield on investment of the fund;
- To make payments and distributions in cash, securities and other assets to the members and beneficiaries of the Plan.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.



The following tables summarize the components of the pension expense recognized in the statements of comprehensive income and amounts recognized in the statements of financial position for the retirement plan.

Based on the actuarial valuation as of December 31, 2021 and 2020 computed using the projected unit credit (PUC) method, the Parent Company's net pension liabilities and expenses are summarized below.

The components of pension expense in the parent company statements of income follows:

	2021	2020
Current service cost	61,860,234	P46,128,533
Net interest cost on defined benefit obligation	8,815,450	4,426,759
Total pension expense (Note 24)	P70,675,684	P50,555,292

The funded status and amounts recognized in the parent company statements of financial position for the retirement plan are as follows:

	2021	2020
Fair value of plan assets	P435,327,868	P391,762,476
Present value of defined benefit obligations	(561,580,220)	(594,778,306)
Net pension liability	(P126,252,352)	(P203,015,830)

The reconciliation of the fair value of plan assets follows:

	2021	2020
Balance at beginning of year	P391,762,476	P342,711,752
Interest income on plan assets	15,451,505	19,920,190
Contributions paid during the year	-	56,023,513
Benefits paid	(26,098,237)	(9,087,074)
Actuarial loss	54,212,124	(17,805,905)
Balance at end of year	P435,327,868	P391,762,476

The reconciliation of the present value of the defined benefit obligation follows:

	2021	2020
Balance at beginning of year	P594,778,306	P447,554,214
Current service cost	61,860,234	46,128,533
Interest cost	24,266,955	24,346,949
Benefits paid	(26,098,237)	(9,087,074)
Assumption of affiliates liabilities (Note 28)	399,436	(332,937)
Actuarial loss (gain)		
Change in financial assumptions	(85,152,355)	96,261,582
Experience adjustment	(649,509)	(10,092,961)
Changes in demographic assumptions	(7,824,610)	-
Balance at end of year	P561,580,220	P594,778,306

As of December 31, 2021 and 2020 there were no movements due to the effect of asset ceiling.



The movements in the net pension liability follow:

	2021	2020
Balance at beginning of year	(P203,015,830)	(P104,842,462)
Net pension expense	(70,675,684)	(50,555,292)
Amount to be recognized in OCI	147,838,598	(103,974,526)
Contributions paid during the year	-	56,023,513
Assumption of affiliates liabilities (Note 28)	(399,436)	332,937
Balance at end of year	(P126,252,352)	(P203,015,830)

Remeasurement (gains) losses recognized in OCI:

	2021	2020
Remeasurement losses on plan assets	(P54,212,124)	P17,805,905
Remeasurement losses on defined benefit obligations	(93,626,474)	86,168,621
Effect of asset ceiling	-	-
Total remeasurements recognized in OCI	(P147,838,598)	P103,974,526

Movement of cumulative remeasurement effect recognized in OCI:

	2021	2020
Balance at beginning of year	P11,836,198	P115,810,724
Additional actuarial gains (losses):		
From plan obligation	93,626,474	(86,168,621)
From plan asset	54,212,124	(17,805,905)
From asset ceiling	-	-
Balance at end of year	P159,674,796	P11,836,198

As of December 31, 2021 and 2020, the major categories of the Parent Company's plan assets as percentage of the fair value of total plan assets follow:

	2021		2020	
	Amount	%	Amount	%
Debt instruments	P169,864,935	39.02	P192,277,023	49.08
Investments in equity	206,345,409	47.40	170,416,677	43.50
Cash and cash equivalents	55,068,975	12.65	25,973,852	6.63
Other assets	4,048,549	0.93	3,094,924	0.79
	P435,327,868	100.00	P391,762,476	100.00

The carrying amounts disclosed above reasonably approximate fair values at year-end.

The composition of the fair value of the fund includes:

- *Investments in equity* - includes investment in common and preferred shares both traded and not traded in the Philippine Stock Exchange (PSE).
- *Debt instruments* - include investment in long-term debt notes and retail bonds.
- *Cash and cash equivalents* - include savings and time deposit with banks and special deposit account with Bangko Sentral ng Pilipinas (BSP SDA).
- *Other assets* - includes interest and dividends receivable generated from investments included in the plan.



The assumptions used to determine pension benefits of the Parent Company follow:

	2021	2020
Discount rates	5.17%	4.08%
Salary rate increase	6.00%	6.00%

Each year, an Asset-Liability Matching Study (ALM) is performed with the result being analyzed in terms of risk-and-return profiles. It is the policy of the Trustee that immediate and near-term retirement liabilities of the Parent Company's Retirement Fund are adequately covered by its assets. As such, due considerations are given that portfolio maturities are matched in accordance with due benefit payments. The Retirement Fund's expected benefits payments are determined through the latest actuarial reports.

Sensitivity analysis on the actuarial assumptions

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the Defined Benefit Obligation (DBO) at the reporting date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO. It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

The sensitivity analysis that follows has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of the end of reporting period, assuming all other assumptions were held constant.

	Increase (decrease)	2021	2020
	Effect on defined benefit obligation		
Discount rates	+100 basis points	(P64,885,258)	(P73,096,811)
	-100 basis points	77,471,120	88,294,752
Salary rate increases	+100 basis points	76,025,576	85,654,026
	-100 basis points	(64,981,409)	(72,513,632)

The BOT of the Plan ensures that its assets are available to fulfill its obligation of paying retirement as it falls due. This is done by ensuring that its assets are easily disposable and can easily be converted to cash.

Furthermore, the Parent Company is not required to contribute to the fund under the Retirement Plan before they become due. For this reason, the amount and timing of contributions to the Plan are at the Parent Company discretion. However, in the event a benefit claim arises and the Plan is insufficient to pay the claim, the shortfall will then be due and payable from the Parent Company to the Plan.

Shown below is the maturity analysis of the undiscounted benefit payments:

Maturity	2021	2020
Less than 1 year	P95,836,566	P109,616,622
More than 1 year but less than 5 years	51,656,291	25,716,422
More than 5 years	132,140,622	113,223,345



The average duration of the defined benefit obligation is 12.7 years and 13.6 years in 2021 and 2020, respectively.

The Parent Company expects to contribute to the fund in 2021 based on the funding valuation from retirement plan.

26. Finance Costs

The finance costs are incurred from the following:

	2021	2020
Long-term bank loans (Note 16)	₱73,928,201	₱5,690,279
Accretion on unamortized discount on liabilities on purchased land and unamortized bank loans transaction cost (Notes 16 and 17)	41,078,389	37,130,587
Bank and other charges	2,755,695	3,573,157
	₱117,762,285	₱46,394,023

27. Income Taxes

The provision for income tax shown in the parent company statements of income consists of:

	2021	2020
Current	₱607,934,977	₱661,015,186
Deferred	250,370,186	(39,903,063)
Final	4,022,875	9,561,425
	₱862,328,038	₱630,673,548

The current provision for income tax in 2021 and 2020 represents regular corporate income tax.

The components of net deferred tax liabilities follow:

	2021	2020
<i>Recognized in profit or loss</i>		
Deferred tax assets on:		
Net pension liability	₱104,101,282	₱94,794,929
Provision for doubtful accounts	17,850,583	21,420,700
Unrealized rental	1,466,104	1,200,178
	123,417,969	117,415,807
Deferred tax liabilities on:		
Gross profit on installment real estate sales	(3,306,185,703)	(2,898,304,649)
Capitalized depreciation	(121,740,964)	(125,380,619)
Capitalized borrowing costs	(414,100,931)	(463,840,966)
Deferred commission	(74,743,008)	(174,470,735)
Unamortized transaction costs	(37,360,813)	(46,371,783)
	(3,954,131,419)	(3,708,368,752)
	(3,830,713,450)	(3,590,952,945)

(Forward)



	2021	2020
<i>Recognized in other comprehensive income</i>		
Deferred tax liability on:		
Remeasurement gain on pension	(48,760,100)	(3,550,859)
Net deferred tax liabilities	(₱3,879,473,550)	(₱3,594,503,804)

Corporate Recovery and Tax Incentive for Enterprise (CREATE) Act

On March 26, 2021, Republic Act No. 11534, Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, was signed into law and took effect on April 11, 2021. The CREATE Act introduces reforms to the corporate income tax and incentive systems by implementing changes to the current tax regulations. Some of these changes, which became effective beginning July 1, 2020, are as follows:

- Reduction in the RCIT rate from 30% to 20% for entities with net taxable income not exceeding 5.0 million and with total assets not exceeding 100.0 million (excluding the value of land on which the business entity's office, plant and equipment are situated);
- Reduction in the RCIT from 30% to 25% for all other corporations;
- Reduction in the MCIT rate from 2% to 1% of gross income for 3 years or until June 30, 2023; and
- Repeal of the imposition of 10% improperly accumulated earnings tax (IAET).

Applying the provisions of the CREATE act, the Company recognized one-time impact in the statement of income for the period ended December 31, 2021 amounting to ₱652.67 million for provision for income tax (current and deferred) and ₱2.36 million for deferred tax on comprehensive income directly charged to equity. Deferred tax liability - net also decreased by ₱599.08 million.

The reconciliation of the provision for income tax computed at the statutory income tax rate to the provision for income tax shown in profit or loss follows:

	2021	2020
Income tax at statutory income tax rate	25%	30.00%
Adjustments for:		
Nondeductible expenses	0.23	0.84
Nondeductible interest expense	0.02	0.22
Movement in unrecognized deferred tax assets	(10.77)	-
Interest income subject to final tax	(0.02)	(0.23)
Dividend income	(0.24)	(1.14)
Effective for income tax rate	14.22%	29.69%

28. Related Party Transactions

Transactions between related parties are based on terms similar to those offered to nonrelated parties. Related party transactions are made under the normal course of business. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities (referred herein as entities under common control).



In the regular course of business, the Parent Company's significant transactions with related parties, which are accounted for at market prices normally charged to unaffiliated customers for similar goods and services, consist primarily of the following:

- a. Contract billings by DMCI, an affiliate, amounted to ₱94.11 million as of December 31, 2020 (nil for 2021), for the construction of the real estate projects included in the "Payables to related parties" account in the parent company statements of financial position.
- b. The Parent Company has outstanding balance from a condominium corporation for the advances made for association dues and utilities consumed by hotel rooms, common areas and concessionaires for its hotel operations. These are included as receivable from related parties under "Receivables" account in the parent company statements of financial position.
- c. *Design and build agreement*

The Parent Company entered into an agreement with its joint venture, RDPVI, for the design and construction of a residential condominium project. Terms of payment include 15% down payment and balance payable through monthly progress billings subject to retention and recoupment.

 - i. *Contractor's revenue*

The Parent Company recognized ₱473.78 million and ₱238.17 million contractor's revenue in 2021 and 2020 which is based on the actual costs incurred over the total budgeted cost of the project.
 - ii. *Billings in excess of cost and estimated earnings on uncompleted contracts*

The Parent Company also recognized ₱152.38 million and ₱70.90 million billings in excess of costs and estimated earnings on uncompleted contracts in 2021 and 2020, which is presented under "Contract liabilities". This represents billings in excess of total costs incurred and estimated earnings recognized (see Note 19).
 - iii. *Contract retention*

The Parent Company recognized ₱96.80 million and ₱34.62 million contract retention in 2021 and 2020, which pertains to the amount retained as security and shall be released after the period as indicated in the contract for the rectification of defects and non-compliance from the specifications indicated in the agreement (see Note 15).
 - iv. *Contracts receivable*

The Parent Company recognized ₱180.64 million and ₱115.18 million contracts receivable in 2021 and 2020 which arises from the construction activities in relation to the joint venture with RDPVI. These receivables are based on progress billings provided to customers over the period of construction (see Note 7).
 - v. *Contract liabilities*

The Parent Company recognized customers' advances and deposits amounting ₱601.67 million and ₱684.96 million in 2021 and 2020 which represents the downpayment made by RDPVI. This is equivalent to the value of land and 15% of the contract amount less the first downpayment which is paid upon issuance of building permit (see Note 19).

Management and marketing services agreement

RDPVI has also engaged the services of the Parent Company for the management and marketing of its project. Consideration for the management services is valued at 3% of the sum of net total contract price (NTCP) collected for each month while marketing services to provided is equivalent to 0.50% of real estate sales recorded each month.



RLC and the Parent Company will also act as the exclusive selling arm of RDPVI for the sale of units and parking lots of the project wherein 1.5% of the NTCP of sold units will be payable to the party who sold the units, RLC or the Parent Company.

In 2021 and 2020, the Parent Company earned management and marketing fees total amounting to ₱7.59 million and ₱11.21 million, respectively.

d. *Socialized Housing Agreement with DMC Urban Property Developers, Inc.*

The Parent Company entered into a socialized housing agreement with DMC Urban Property Developers, Inc. (UPDI), an accredited developer of socialized housing project by Department of Human Settlements and Urban Development (DHSUD) in order to obtain the required credits for the development of the condominium project. This was documented in a joint venture agreement in which profits will be shared on a 50:50 allocation basis. The Parent Company finances the whole development and construction of the project while UPDI contributes the land and act as project manager of the project. The total project cost of the compliance project amounts to ₱458.78 million. As of December 31, 2021 and 2020, the advances recorded in the books under “Other current assets” amounted to ₱195.97 million and ₱140.37 million, respectively (see Note 10).

The following table summarizes the total transactions with related parties in 2021 and 2020 and the related outstanding receivables as of December 31, 2021 and 2020.

	Transaction	2021		Terms	Conditions
		Volume/ Transaction	Amount		
<i>Parent</i>					
DMCI Holdings, Inc.	Reimbursable expenses	(₱26,010)	₱-	Noninterest-bearing; due and demandable	Unsecured, Unimpaired
<i>Subsidiaries</i>					
DMCI Property Management Corp.	Reimbursable expenses Assumption of liabilities	(11,212,064) 399,436	65,063,088 (344,049)	Noninterest-bearing; due and demandable	Unsecured, Unimpaired
DMCI PDI Hotels, Inc.	Reimbursable expenses and other advances	6,768,952	32,789,448	Noninterest-bearing; due and demandable	Unsecured, Unimpaired
Zenith Mobility Services Solutions, Inc.	Reimbursable expenses	(15,134)	221,524	Noninterest-bearing; due and demandable	Unsecured, Unimpaired
<i>Entities under common control</i>					
DMCI Mining Corporation	Construction and rent services Lease, backfill charges	(2,235,057) 213,395,302	558,951 -	Noninterest-bearing; due and demandable Noninterest-bearing; due and demandable	Unsecured, Unimpaired Unsecured, unimpaired
Taisei DMCI Joint Venture					
Semirara Mining Corporation	Reimbursable Expenses	(20,816)	-	Noninterest-bearing; due and demandable	Unsecured, Unimpaired
DMCI Urban Property Developers	Reimbursable expenses and management fees	43,933,368	64,669,192	Noninterest-bearing; due and demandable	Unsecured, Unimpaired
DM Consunji, Inc.	Trade	61,182,641	61,182,641	Noninterest-bearing; due and demandable	Unsecured, Unimpaired
DMC Estate Development Ventures Inc.	Reimbursable Expenses	932,915	932,915	Noninterest-bearing; due and demandable	Unsecured, Unimpaired
			₱225,073,710		



		2020			
	Transaction	Volume/ Transaction	Amount	Terms	Conditions
<i>Parent</i>					
DMCI Holdings, Inc.	Reimbursable expenses	₱-	₱26,010	Noninterest-bearing; due and demandable	Unsecured, Unimpaired
<i>Subsidiaries</i>					
DMCI Property Management Corp.	Reimbursable expenses Assumption of liabilities	-	76,275,152 (743,485)	Noninterest-bearing; due and demandable	Unsecured, Unimpaired
DMCI PDI Hotels, Inc.	Reimbursable expenses and other advances	3,566,258	26,020,496	Noninterest-bearing; due and demandable	Unsecured, Unimpaired
Zenith Mobility Services Solutions, Inc.	Reimbursable expenses	112,500	236,658	Noninterest-bearing; due and demandable	Unsecured, Unimpaired
<i>Entities under common control</i>					
DMCI Mining Corporation	Construction and rent services	15,910,325.49	2,794,008	Noninterest-bearing; due and demandable	Unsecured, Unimpaired
Semirara Mining Corporation	Reimbursable expenses	-	20,816	Noninterest-bearing; due and demandable	Unsecured, Unimpaired
DMCI Urban Property Developers	Reimbursable expenses and management fees	7,001,629	20,735,824	Noninterest-bearing; due and demandable	Unsecured, Unimpaired
			₱125,365,479		

The table below summarizes the total transactions of the Parent Company with related parties in 2021 and 2020 and the related outstanding payable as of December 31, 2021 and 2020:

		2021			
	Transaction	Amount	Outstanding Balance	Terms	Conditions
<i>Stockholder</i>					
DM Consunji Inc.	Trade	(₱94,105,428)	₱-	Noninterest-bearing; payable on demand	Unsecured
<i>Subsidiaries</i>					
Riviera Land Corp	Remittances	(35,225)	134,369,561	Noninterest-bearing; payable on demand	Unsecured
Hampstead Garden Condominium Corp	Remittances	-	85,447,210	Noninterest-bearing; payable on demand	Unsecured
			₱219,816,771		
		2020			
	Transaction	Amount	Outstanding Balance	Terms	Conditions
<i>Stockholder</i>					
DM Consunji Inc.	Trade	(₱201,949,630)	₱94,105,428	Noninterest-bearing; payable on demand	Unsecured
<i>Subsidiaries</i>					
Riviera Land Corp	Remittances	(10,920)	134,334,336	Noninterest-bearing; payable on demand	Unsecured
Hampstead Garden Condominium Corp	Remittances	-	85,447,210	Noninterest-bearing; payable on demand	Unsecured
			₱313,886,974		

The key management personnel of the Parent Company include all directors, executive and non-executive, and senior management. The aggregate compensation and benefits of key management personnel of the Parent Company follows:

	2021	2020
Short-term employee benefits	₱31,148,393	₱30,930,274
Post employee benefits (Note 25)	31,282,465	20,448,674
	₱62,430,858	₱51,378,948

There are no agreements between the Parent Company and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Parent Company's pension plan.



Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

As of December 31, 2021 and 2020, the Parent Company has not made any allowance for expected credit loss relating to amounts owed by related parties. The Parent Company applies a general approach in calculating the ECL.

29. Leases, Commitments and Contingencies

Operating Leases - Company as Lessor

The Parent Company entered into lease agreements with third parties covering its investment property portfolio. These leases generally provide for a fixed monthly rental with an escalation of 3% to 7% annually.

Total rent receivable arising from lease of investment properties amounted to ₱76.39 million and ₱69.74 million as of December 31, 2021 and 2020, respectively.

Future minimum rentals receivable under non-cancellable operating leases of the Parent Company as of December 31, 2021 and 2020 follow:

	2021	2020
Within one (1) year	₱23,597,128	₱30,580,797
After one year but not more than five (5) years	94,388,514	72,325,855
More than 5 years	39,463,238	16,470,430
	₱157,448,880	₱119,377,082

The Parent Company has entered into residential property leases on its residential condominium unit's portfolio. These leases have a period of two (2) years and the lessee is given the right to purchase the property at the end of the lease period provided that the lessee does not have any arrears in rental payment, condominium dues and other charges. These arrangements were assessed as operating leases and in 2021, the Parent Company recognized income from these leases amounted to ₱10.48 million (see Note 23).

Contingencies

The Parent Company has various collection cases or claims against or from its customers and certain administrative and civil cases, arising in the ordinary conduct which are either pending decision by the courts or are under negotiation, the outcome of which are not presently determinable. In the opinion of the management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material effect on the financial statements. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of these lawsuits, claims and assessments. No provisions were made in 2021 and 2020 for these lawsuits and claims.



30. Financial Instruments – Fair Value Information

The following tables set forth the carrying values and estimated fair values of the Parent Company’s financial assets and financial liabilities recognized as of December 31, 2021 and 2020:

	2021		2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Other financial liabilities				
Loans payable	₱32,634,591,651	₱33,636,884,947	₱28,314,873,498	₱30,842,879,241
Liabilities for purchased land	1,571,369,622	1,487,640,524	2,019,605,056	1,946,961,777
Total financial liabilities	₱34,205,961,273	₱35,124,525,471	₱30,334,478,554	₱32,789,841,018

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

- Due to the short-term nature of the transactions and interest earned from the deposits, the carrying amounts of cash and cash equivalents, receivables, deposit in escrow fund under “Other current assets”, recoverable deposits under “Other noncurrent assets”, accounts and other payables, payables to related parties and subscription payable approximate their fair values.
- The fair values of loans payable and liabilities for purchased land are based on the discounted value of future cash flows using the applicable rates for similar types of loans.

The discount rates used for loans payable range from 0.20% to 4.57% in 2021 and 0.99% to 2.78% in 2020. Liabilities for purchased land were discounted at 1.67% to 4.43% in 2021 and 1.71% to 2.66% in 2020.

Fair Value Hierarchy

The carrying value and fair value of loans payable and liabilities for purchased land are categorized under Level 3 in the fair value hierarchy using discounted cash flow analysis. There were no transfers among Levels 1, 2 and 3 for the years ended December 31, 2021 and 2020.

31. Financial Risk Management Objectives and Policies

The Parent Company’s principal financial instruments comprise of financial asset at amortized cost, loans payable, liabilities for purchased land, accounts and other payables and payables to related parties. The main risks arising from the Parent Company’s financial instruments are liquidity risk, interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarized below:

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Parent Company seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Parent Company maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Parent Company regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities such as bank loans.

The following table summarizes the maturity profile of the Parent Company’s financial assets and financial liabilities as of December 31, 2021 and 2020, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Parent Company’s financial assets in order to provide a complete view of the Parent Company’s contractual commitments. The analysis into



relevant maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity dates. Balances due within twelve (12) months equal their carrying amounts, as the impact of discounting is insignificant.

	2021					Total
	< 1 year	1 to < 2 years	2 to < 3 years	3 to < 5 years	> 5 years	
Financial assets at amortized cost						
Loans and receivables						
Cash and cash equivalents	₱4,387,750,259	₱-	₱-	₱	₱-	₱4,387,750,259
Receivables:						
Trade:						
Installment contracts receivable	2,894,101,260	-	-	-	-	2,894,101,260
Contract Receivable	180,638,449	-	-	-	-	180,638,449
Receivable from buyers	742,520,165	-	-	-	-	742,520,165
Receivables from:						
Related parties	225,073,710	-	-	-	-	225,073,710
Condo corporations	366,584,079	-	-	-	-	366,584,079
Rental	76,392,799	-	-	-	-	76,392,799
Employees	25,200,594	-	-	-	-	25,200,594
Dividends receivable	61,037,000	-	-	-	-	61,037,000
Others	127,986,183	-	-	-	-	127,986,183
Deposit in escrow fund	₱340,623,169	₱-	₱-	₱-	₱-	₱340,623,169
Recoverable deposits	-	299,786,949	-	-	-	299,786,949
Other Asset	195,965,551	-	-	-	-	195,965,551
Total financial assets	₱9,623,873,218	₱299,786,949	₱-	₱-	₱-	₱9,727,694,616
Other financial liabilities						
Loans payable*	₱7,052,696,032	₱3,858,918,106	₱15,233,544,970	₱11,829,113,638	₱37,974,272,747	₱75,948,545,493
Liabilities for purchased land	601,817,432	815,476,331	9,111,120	39,162,905	105,801,834	1,571,369,622
Accounts and other payables						
Commission payable	1,113,336,211	1,079,558,646	-	-	-	2,192,894,857
Accounts payable – trade	2,495,592,124	-	-	-	-	2,495,592,124
Dividends Payable	800,000,000	-	-	-	-	800,000,000
Retention payable	848,354,317	-	-	-	-	848,354,317
Refundable deposits	292,228,612	-	-	-	-	292,228,612
Accrued interest payable	195,980,079	-	-	-	-	195,980,079
Accrued expenses**	78,859,511	-	-	-	-	78,859,511
Others	103,563,861	-	-	-	-	103,563,861
Payables to related parties	219,816,771	-	-	-	-	219,816,771
Subscription payable	3,937,500	-	-	-	-	3,937,500
Other financial liabilities	₱13,806,182,450	₱5,753,953,083	₱15,242,656,090	₱11,868,276,543	₱38,080,074,581	₱84,751,142,747
<i>*Including future interest payments</i>						
<i>**Excluding nonfinancial liabilities amounting to ₱314.23 million as at December 31, 2021</i>						
	2020					Total
	< 1 year	1 to < 2 years	2 to < 3 years	3 to < 5 years	> 5 years	
Financial assets at amortized cost						
Loans and receivables						
Cash and cash equivalents	₱4,668,788,657	₱-	₱-	₱	₱-	₱4,668,788,657
Receivables:						
Trade:						
Installment contracts receivable	5,745,000,578	-	-	-	-	5,745,000,578
Contract Receivable	115,178,869	-	-	-	-	115,178,869
Receivable from buyers	837,249,930	-	-	-	-	837,249,930
Receivables from:						
Related parties	125,365,479	-	-	-	-	125,365,479
Condo corporations	335,998,668	-	-	-	-	335,998,668
Rental	69,739,790	-	-	-	-	69,739,790
Employees	20,869,577	-	-	-	-	20,869,577
Dividends receivable	53,037,000	-	-	-	-	53,037,000
Others	73,688,087	-	-	-	-	73,688,087
Deposit in escrow fund	229,206,785	-	-	-	-	229,206,785
Recoverable deposits	-	234,666,578	-	-	-	234,666,578
Other Asset	140,366,552	-	-	-	-	140,366,552
Total financial assets	₱12,414,489,972	₱234,666,578	₱-	₱-	₱-	₱12,649,156,550
Other financial liabilities						
Loans payable*	₱4,050,632,691	₱3,850,364,575	₱3,584,215,291	₱5,597,615,081	₱16,763,011,864	₱33,845,839,502
Liabilities for purchased land	849,023,520	984,491,131	19,303,120	60,985,451	105,801,834	2,019,605,056

(Forward)



	2020					Total
	< 1 year	1 to < 2 years	2 to < 3 years	3 to < 5 years	> 5 years	
Accounts and other payables						
Commission payable	1,381,208,708	1,172,543,428	–	–	–	2,553,752,135
Accounts payable – trade	2,523,869,973	–	–	–	–	2,523,869,973
Dividends Payable	700,000,000	–	–	–	–	700,000,000
Retention payable	678,253,452	–	–	–	–	678,253,452
Refundable deposits	322,413,218	–	–	–	–	322,413,219
Accrued interest payable	375,356,339	–	–	–	–	375,356,339
Accrued expenses**	50,226,023	–	–	–	–	50,226,023
Others	51,548,239	–	–	–	–	51,548,239
Payables to related parties	313,886,974	–	–	–	–	313,886,974
Subscription payable	3,937,500	–	–	–	–	3,937,500
Other financial liabilities	₱11,300,356,637	₱6,007,399,134	₱3,603,518,411	₱5,658,600,532	₱16,868,813,698	₱43,438,688,412

*Including future interest payments

**Excluding nonfinancial liabilities amounting to ₱651.72 million as at December 31, 2020

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Parent Company's financial instruments affected by market risk include loans payable and cash and cash equivalents.

a.) Interest rate risk

The Parent Company's exposure to the risk for changes in market interest rates relates primarily to the Parent Company's bank loans with floating interest rate.

The Parent Company's policy is to manage its interest cost using a mix of fixed and variable debt rate debts. Out of the total bank loans, those with floating interest rates are 27.03% in 2021 and 23.01% in 2020.

The terms of the interest-bearing financial liabilities, together with its corresponding nominal amounts and carrying values are shown in the following table:

	2021		2020	
	Effective Interest Rate	Amount	Effective Interest Rate	Amount
Loans payable				
Term loans and corporate notes	2.09% to 6.33%	₱30,193,556,747	2.67% to 6.72%	₱28,060,427,388
Liabilities on installment contracts receivables sold to banks	3.55% to 6.00%	2,441,034,904	4.00% to 6.19%	55,652,870
HomeSaver Bonds	–	–	4.75% to 5.25%	198,793,240
		₱32,634,591,651		₱28,314,873,498

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant of the Parent Company's profit before tax as of December 31, 2021 and 2020.

	Change in basis points	2021		2020	
		Effect on income before income tax	Effect on equity	Effect on income before income tax	Effect on equity
Loans payable	+100 bps	(₱88,208,306)	(₱61,745,814)	(₱65,158,857)	(₱45,611,200)
	-100 bps	88,208,306	61,745,814	65,158,857	45,611,200

The assumed movement in basis points for interest rate sensitivity analysis is based on the Parent Company's historical changes in market interest rates on unsecured bank loans.



The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values are shown in the following table:

		2021					
	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Cash in bank and cash equivalents	Fixed at the date of investment	Various	₱4,384,672,242	₱4,384,672,242	₱-	₱-	₱4,384,672,242
Loans payable	Floating at 8.12% to 11.23% over the remaining term	Annually	2,441,034,904	2,424,580,500	16,454,404	-	2,441,034,904
Peso	Floating at 4.00% to 6.58%	Quarterly	6,379,795,735	115,982,985	6,263,812,750	-	6,379,795,735
			₱13,205,502,881	₱6,925,235,727	₱6,280,267,154	₱-	₱13,205,502,881
		2020					
	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Cash in bank and cash equivalents	Fixed at the date of investment	Various	₱4,665,829,450	₱4,665,829,450	₱-	₱-	₱4,665,829,450
Loans payable	Floating at 8.12% to 11.23% over the remaining term	Annually	55,652,870	17,179,947	38,472,923	-	55,652,870
Peso	Floating at 4% to 6.68%	Quarterly	6,460,302,842	80,429,407	6,379,803,435	-	6,460,232,842
			₱11,181,785,162	₱4,763,438,804	₱6,418,276,358	₱-	₱11,181,715,162

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Parent Company's exposure to credit risk arises from default of the counterparties which include certain financial institutions, real estate buyers and related parties. To manage credit risks, the Parent Company maintains defined credit policies and monitors its exposure to credit risks on a continuous basis.

The credit risk is concentrated to the following customers:

	2021	2020
Real estate buyers	93.56%	92.51%
Others	6.44%	7.49%
Total	100.00%	100.00%

In respect of installment contracts receivable from the sale of real estate properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. An impairment analysis is performed at each reporting date using a vintage analysis to measure expected credit losses. The default rates are based on historical credit loss experience for groupings of various customer segments with similar loss patterns (i.e., by payment scheme and collateral type) and are adjusted with forward looking information. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Parent Company has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g., grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Given this, based on the experience of the Parent Company, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default (i.e., recovery rate is more than 100%).



The Parent Company evaluates the concentration of risk with respect to installment contracts receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act (“Bayanihan 1 Act”) was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act (“Bayanihan 2 Act”), was enacted. Under Bayanihan 2 Act, a onetime sixty (60)-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other charges.

Based on the Parent Company’s assessment, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and therefore do not result in the derecognition of the affected financial assets.

The repossessed lots and residential houses are recorded back to inventory under the “Real estate inventories” account and are held for sale in the ordinary course of business. The total of these inventories amounts to ₱801.89 million and ₱1,219.46 million as at December 31, 2021 and 2020, respectively. The Parent Company performs certain repair activities on the said repossessed assets in order to put their condition at a marketable state. Costs incurred in bringing the repossessed assets to its marketable state are included in their carrying amounts.

Credit risk from balances with banks and financial institutions is managed in accordance with the Parent Company's policy. Cash and cash equivalents are placed in various banks. Material amounts are held by banks which belong to the top five (5) banks in the country. The rest are held by local banks that have good reputation and low probability of insolvency. These are considered to be low credit risk investments. The Parent Company’s maximum exposure to credit risk as of December 31, 2021 and 2020 is equal to the carrying values of its financial assets.

The tables below present the summary of the Parent Company’s exposure to credit risk as of December 31 and show the credit quality of the assets by indicating whether the assets are subjected to the 12-month ECL or lifetime ECL.

	2021		2020	
	12-month ECL	Lifetime ECL Not credit impaired	12-month ECL	Lifetime ECL Not credit impaired
Cash and cash equivalents*	₱4,384,672,242	₱–	₱4,665,829,450	₱–
Trade:				
Installment contracts receivable	–	2,894,101,260	–	5,745,000,578
Receivable from buyers	–	742,520,165	–	837,249,930
Contract Receivable	–	180,638,449	–	115,178,869
Receivables from:				
Related parties	–	225,073,710	–	125,365,479
Condo corporations	–	366,584,079	–	335,998,668
Rental	–	76,392,799	–	69,739,790
Employees	–	25,200,594	–	20,869,577
Dividends receivable	–	61,037,000	–	53,037,000
Others	–	127,986,183	–	73,688,087
Deposit in escrow fund	340,623,169	–	229,206,785	–
Recoverable deposits	299,786,949	–	234,666,578	–
Other Asset	195,965,551	–	140,366,552	–
	₱5,221,047,911	₱4,699,534,239	₱5,270,069,365	₱7,376,127,978

*Excludes cash on hand amounting to ₱3.08 million and ₱2.96 million as of December 31, 2021 and 2020, respectively.



As of December 31, 2021 and 2020, the aging analyses per class of loan-related financial assets follow:

	2021						Impaired Financial Assets	Total
	Neither Past Due Nor Impaired	Past Due But Not Impaired						
		<30 days	30-60 days	61-90 days	>90 days			
Trade:								
Installment contracts								
receivable	P-	P463,472,527	P1,050,162,247	P716,219,796	P664,246,690	P-	P2,894,101,260	
Receivable from buyers	742,520,165	-	-	-	-	-	742,520,165	
Contract Receivable	180,638,449	-	-	-	-	-	180,638,449	
Receivables from:								
Related parties	225,073,710	-	-	-	-	-	225,073,710	
Condo corporations	366,584,079	-	-	-	-	-	366,584,079	
Rental	76,392,799	-	-	-	-	-	76,392,799	
Employees	25,200,594	-	-	-	-	-	25,200,594	
Dividends receivable	61,037,000	-	-	-	-	-	61,037,000	
Others	127,986,183	-	-	-	-	-	127,986,183	
	P1,805,432,979	P463,472,527	P1,050,162,247	P716,219,796	P664,246,690	P-	P4,699,534,239	

	2020						Impaired Financial Assets	Total
	Neither Past Due Nor Impaired	Past Due But Not Impaired						
		<30 days	30-60 days	61-90 days	>90 days			
Trade:								
Installment contracts								
receivable	P1,870,154,956	P1,603,145,365	P377,030,847	P439,596,655	P1,455,072,755	P-	P5,745,000,578	
Receivable from buyers	837,249,930	-	-	-	-	-	837,249,930	
Contract Receivable	115,178,869	-	-	-	-	-	115,178,869	
Receivables from:								
Related parties	125,365,480	-	-	-	-	-	125,365,480	
Condo corporations	335,998,668	-	-	-	-	-	335,998,668	
Rental	69,739,790	-	-	-	-	-	69,739,790	
Employees	20,869,577	-	-	-	-	-	20,869,577	
Dividends receivable	53,037,000	-	-	-	-	-	53,037,000	
Others	73,688,086	-	-	-	-	-	73,688,086	
	3,501,282,356	P1,603,145,365	P377,030,847	P439,596,655	P1,455,072,755	P-	P7,376,127,978	

The table below shows the credit quality of the Parent Company's loan-related financial assets as of December 31, 2021 and 2020.

High Quality. This pertains to a counterparty who is not expected to default in settling its obligations, thus credit risk is minimal. This normally includes large prime financial institutions and companies.

Standard Quality. Other financial assets not belonging to the high quality category are included in this category.

	2021			2020		
	High Quality	Standard Quality	Total	High Quality	Standard Quality	Total
Cash and cash equivalents*	P4,384,672,242	P-	P4,384,672,242	P4,665,829,450	P-	P4,665,829,450
Trade:						
Installment contracts						
receivable	-	2,894,101,260	2,894,101,260	-	5,745,000,578	5,745,000,578
Receivable from buyers	-	742,520,165	742,520,165	-	837,249,930	837,249,930
Contract Receivable	-	180,638,449	180,638,449	-	115,178,869	115,178,869
Receivables from:						
Related parties	-	225,073,710	225,073,710	-	125,365,479	125,365,479
Condo corporations	-	366,584,079	366,584,079	-	335,998,668	335,998,668
Rental	-	76,392,799	76,392,799	-	69,739,790	69,739,790
Employees	-	25,200,594	25,200,594	-	20,869,577	20,869,577
Dividends receivable	-	61,037,000	61,037,000	-	53,037,000	53,037,000
Others	-	127,986,183	127,986,183	-	73,688,087	73,688,087
Deposit in escrow fund	340,623,169	-	340,623,169	229,206,785	-	229,206,785
Recoverable deposits	299,786,949	-	299,786,949	234,666,578	-	234,666,578
Other Asset	-	195,965,551	195,965,551	-	140,366,552	140,366,552
	P5,025,082,360	P4,895,499,790	P9,920,582,150	P5,129,702,813	P7,516,494,530	P12,646,197,343

*Excludes cash on hand amounting to P3.08 million and P2.96 million as of December 31, 2021 and 2020, respectively.



32. Notes to Statements of Cash Flows

Supplemental disclosure of noncash investing activities follows:

	2021	2020
Transfer from software cost to general and administrative expenses (Note 13)	₱17,152,783	₱-
Transfer from real estate inventories to property and equipment (Note 9)	140,134,599	362,567,842

Disclosed below is the rollforward of liabilities under financing activities:

2021

	January 1, 2021	Cash flows	Non-cash changes	December 31, 2021
Loans payable (Note 16)	₱28,314,873,498	₱4,278,639,763	₱41,078,390	₱32,634,591,651
Dividends (Note 20)	700,000,000	(1,145,000,000)	1,245,000,000	800,000,000
Interest payable (Note 18)	375,356,339	(2,755,695)	(176,620,565)	195,980,079
Total	₱29,390,229,837	₱3,130,884,068	₱1,109,457,824	₱33,630,571,730

2020

	January 1, 2020	Cash flows	Non-cash changes	December 31, 2020
Loans payable (Note 16)	₱25,786,128,762	₱2,491,614,149	₱37,130,587	₱28,314,873,498
Dividends (Note 20)	-	(547,287,502)	1,247,287,502	700,000,000
Interest payable (Note 18)	256,121,815	(15,350,031)	134,584,555	375,356,339
Total	₱26,042,250,577	₱1,928,976,616	₱1,419,002,644	₱29,390,229,837

Non-cash changes pertain to dividends and interest expense.

33. Events after reporting period

On February 21, 2022, the BOD approved and resolved the merger of the Parent Company with its subsidiary, L&I Development Corporation with the Parent Company as the surviving corporation for the development of a parcel of land situated in Quezon City.



**INDEPENDENT AUDITOR'S REPORT
ON THE SCHEDULE OF RECONCILIATION
OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION**

The Stockholders and the Board of Directors
DMCI Project Developers, Inc.
DMCI Homes Corporate Center
1321 Apolinario Street, Bangkal
Makati City

We have audited in accordance with Philippine Standards on Auditing, the parent company financial statements of DMCI Project Developers, Inc. (the "Parent Company") as at and for the years ended December 31, 2021 and 2020 have issued our report thereon dated February 24, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Parent Company's management. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic parent company financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic parent company financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the parent company financial statements.

SYCIP GORRES VELAYO & CO.



Dhonabee B. Señeres

Partner

CPA Certificate No. 97133

Tax Identification No. 201-959-816

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 97133-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-098-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8854369, January 3, 2022, Makati City

February 24, 2022



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
DMCI Project Developers, Inc.
DMCI Homes Corporate Center
1321 Apolinario Street, Bangkal
Makati City

We have audited the parent company financial statements of DMCI Project Developers, Inc. (the Parent Company) as at and for the years ended December 31, 2021 and 2020, on which we have rendered the attached report dated February 24, 2022.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that as of December 31, 2021, the Company has five (5) stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.



Dyonabee B. Señeres

Partner

CPA Certificate No. 97133

Tax Identification No. 201-959-816

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 97133-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-098-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8854369, January 3, 2022, Makati City

February 24, 2022



DMCI PROJECT DEVELOPERS, INC.
(A Subsidiary of DMCI Holdings, Inc.)

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2021

Unappropriated Retained Earnings, beginning	₱3,174,924,068
Less adjustment on deferred tax assets, beginning	(117,415,807)
Unappropriated Retained Earnings, as adjusted, beginning	3,057,508,261
Net income actually earned/realized during the period:	
Net income during the period closed to retained earnings	5,199,843,531
Less: Non actual/unrealized income net of tax	—
Equity in net income of associate/joint venture	—
Unrealized actuarial gain	—
Fair value adjustment (M2M gains)	—
Fair value adjustment of Investment Property resulting to gain	—
Adjustment due to deviation from PFRS/GAAP - gain	—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—
Deferred tax asset that reduced the amount of income tax expense	6,002,162
Add: Non-actual losses	
Depreciation on revaluation increment (after tax)	—
Adjustment due to deviation from PFRS/GAAP - loss	—
Loss on fair value adjustment of investment property (after tax)	—
Unrealized foreign exchange loss - net (except those attributable to cash and cash equivalents)	—
Net income actually earned during the period	5,205,845,693
Add (Less):	
Dividend declarations during the period	(1,245,000,000)
Appropriations of retained earnings during the period	—
Reversals of appropriations	—
Effects of change in accounting policy	—
Treasury shares	—
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND DECLARATION	₱7,018,353,954

DMCI
PROJECT DEVELOPERS
I N C O R P O R A T E D

DMCI Homes Corporate Center
1321 Apolinario St.,
Brgy. Bangkal
Makati City, 1233 Philippines

(632) 555-7777

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA Greenhills
Mandaluyong, Metro Manila

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

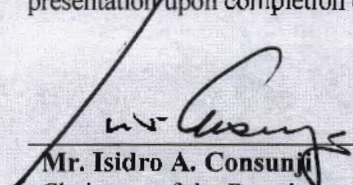
The management of DMCI Project Developers, Inc. and its subsidiaries (collectively referred to as the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the year(s) ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

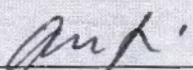
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

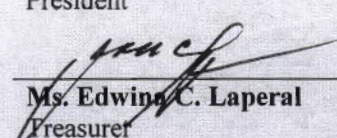
SyCip, Gorres, Velayo & Co., the independent auditors, appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon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



Mr. Isidro A. Consunji
Chairman of the Board



Mr. Alfredo R. Austria
President



Ms. Edwina C. Laperal
Treasurer

Signed this _____ day of MAY 23 2022.



**DMCI
PROJECT DEVELOPERS**
I N C O R P O R A T E D

Republic of the Philippines)
Makati City) S.S.

DMCI Homes Corporate Center
1321 Apolinario St.
Brgy. Bangkal
Makati City, 1233 Philippines

(632) 555-7777

MAY 23 2022

SUBSCRIBED AND SWORN to before me this _____ day of _____, _____ affiant
exhibited to me this Residence Certificate No. _____ issued at Makati City _____.

Doc No. 431
Page No. 50
Book No. 50
Series of 2022

ATTY. BASILIO D. GASCON JR.

NOTARY PUBLIC APPOINTMENT NO. M-79

ROLL NO. ATTORNEY NO. 51336

NOTARY PUBLIC FOR MAKATI CITY

UNTIL DECEMBER 31, 2021

MCLE COMPLIANCE NO. VI-0028922/OCT. 4, 2019

IBP LIFE MEMBER ROLL NO. 09441/MAKATI CHAPTER

PTR NO. 8853711/JANUARY, 4, 2022 MAKATI CITY

2/F DMCI HOMES CORPORATE CENTER

1321 APOLINARIO STREET, BANGKAL

MAKATI CITY, METRO MANILA

EXTENDED UNTIL JUNE 30, 2022

PER. B. M. NO. 3795

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	5	-	0	0	4	1	3	7
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COMPANY NAME

D	M	C	I		P	R	O	J	E	C	T		D	E	V	E	L	O	P	E	R	S	,		I	N	C	.	
A	N	D			S	U	B	S	I	D	I	A	R	I	E	S													

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

D	M	C	I		H	o	m	e	s		C	o	r	p	o	r	a	t	e		C	e	n	t	e	r	,		1	
3	2	1			A	p	o	l	i	n	a	r	i	o		S	t	r	e	e	t	,		B	a	n	g	k	a	l

Form Type
A A F S

Department requiring the report
C R M D

Secondary License Type, If Applicable
N A

COMPANY INFORMATION

Company's Email Address N/A	Company's Telephone Number 555-7777	Mobile Number N/A
No. of Stockholders 11	Annual Meeting (Month / Day) May 6	Fiscal Year (Month / Day) December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person Evangeline H. Atchioco	Email Address enhernandez@dmcihomes.com	Telephone Number/s 555-7777 loc. 7342	Mobile Number N/A
--------------------------------------------------	--------------------------------------------	------------------------------------------	----------------------

CONTACT PERSON'S ADDRESS

DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, Makati City

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

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



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
DMCI Project Developers, Inc.
DMCI Homes Corporate Center
1321 Apolinario St., Bangkal
Makati City

Opinion

We have audited the consolidated financial statements of DMCI Project Developers, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

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



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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting relief issued and approved by the SEC as described in Note 2 to the consolidated financial statements.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

SYCIP GORRES VELAYO & CO.



Dhonabee B. Señeres

Partner

CPA Certificate No. 97133

Tax Identification No. 201-959-816

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 97133-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-098-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8854369, January 3, 2022, Makati City

February 24, 2022



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6 and 31)	₱4,472,228,172	₱4,766,268,217
Receivables (Notes 7, 27, 30 and 31)	4,664,793,333	7,351,402,317
Current portion of contract assets (Note 8)	10,865,845,025	7,694,660,988
Real estate inventories (Note 9)	41,236,261,016	40,914,577,303
Other current assets (Notes 10, 27 and 31)	3,774,156,707	3,205,400,333
Total Current Assets	65,013,284,253	63,932,309,158
Noncurrent Assets		
Contract assets - net of current portion (Note 8)	12,455,643,184	6,706,033,597
Investments in associates and joint venture (Note 11)	993,629,035	891,138,890
Investment properties (Note 12)	95,664,846	109,106,346
Software cost (Note 13)	12,613,406	66,560,346
Property and equipment (Note 14)	1,751,848,377	1,917,933,184
Deferred tax assets (Note 26)	3,522,067	3,139,960
Other noncurrent assets (Notes 10, 15, 27 and 31)	1,719,493,662	2,220,898,414
Total Noncurrent Assets	17,032,414,577	11,914,810,737
	₱82,045,698,830	₱75,847,119,895
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 18 and 31)	₱6,321,028,057	₱6,833,580,985
Current portion of loans payable (Notes 16, 30 and 31)	5,710,180,522	2,832,347,920
Customers' advances and deposits (Note 19)	4,356,686,876	4,085,451,230
Current portion of contract liabilities (Notes 19 and 27)	3,549,504,260	4,380,478,887
Payables to related parties (Notes 27 and 31)	-	94,105,428
Current portion of liabilities for purchased land (Notes 17, 30 and 31)	601,817,432	849,023,520
Payables to related parties (Notes 27 and 31)	-	94,105,428
Income tax payable	415,010	50,292,227
Total Current Liabilities	₱20,539,632,157	19,125,280,197
Noncurrent Liabilities		
Contract liabilities – net of current portion (Note 19)	1,261,595,621	1,900,164,170
Loans payable – net of current portion (Notes 16, 30 and 31)	26,924,411,129	25,482,525,578
Liabilities for purchased land – net of current portion (Notes 17, 30 and 31)	969,552,190	1,170,581,536
Net pension liability (Note 24)	150,613,212	248,600,097
Deferred tax liabilities – net (Note 26)	3,885,584,976	3,594,503,804
Other noncurrent liability (Notes 18 and 31)	1,079,558,646	1,172,543,428
Total Noncurrent Liabilities	34,271,315,774	33,568,918,613
Total Liabilities	₱54,810,947,931	₱52,694,198,810

(Forward)



	December 31	
	2021	2020
Equity (Note 20)		
Attributable to equity holders of the Parent Company		
Capital stock	₱3,487,727,331	₱3,487,727,331
Additional paid-in capital	15,260,664	15,260,664
Appropriated retained earnings	15,977,900,000	15,977,900,000
Unappropriated retained earnings	7,503,636,759	3,559,563,679
Remeasurement gain on defined benefit plans – net of tax (Note 24)	168,743,907	31,056,153
	27,153,268,661	23,071,507,827
Non-controlling interest in consolidated subsidiaries	81,482,238	81,413,258
Total Equity	27,234,750,899	23,152,921,085
	₱82,045,698,830	₱75,847,119,895

See accompanying Notes to Consolidated Financial Statements.



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2021	2020	2019
REVENUE (Note 29)			
Real estate sales (Note 19)	₱24,101,971,185	₱15,854,267,052	₱18,073,946,611
Contractor's revenue (Note 27)	236,889,301	119,086,923	–
Hotel services	1,966,118	19,597,040	255,705,698
Property management services	224,574,231	204,644,897	190,091,425
Elevator and maintenance services	91,588,651	69,291,296	67,050,739
	24,656,989,486	16,266,887,208	18,586,794,473
COSTS (Note 29)			
Real estate sales (Notes 9 and 10)	17,278,400,121	12,845,094,196	12,949,936,292
Cost of contractor's revenue (Note 27)	217,695,494	109,437,980	–
Hotel services (Note 14)	3,430,536	23,642,752	139,729,409
Property management services	104,348,710	90,054,404	79,540,709
Elevator and maintenance services	66,579,117	52,416,015	37,288,062
	17,670,453,978	13,120,645,347	13,206,494,472
GROSS PROFIT	6,986,535,508	3,146,241,861	5,380,300,001
GENERAL AND ADMINISTRATIVE EXPENSES (Notes 23 and 29)	2,413,680,521	2,171,643,297	2,427,645,906
OPERATING INCOME	4,572,854,987	974,598,564	2,952,654,095
OTHER INCOME (EXPENSE) (Note 29)			
Finance income (Notes 6, 7 and 21)	341,218,709	362,691,126	463,765,997
Finance costs (Notes 16, 17 and 25)	(117,762,285)	(46,394,023)	(132,603,745)
Equity in net earnings of associates and joint venture (Note 11)	45,478,609	31,854,424	57,871,060
Other income (Notes 9, 12, 22 and 27)	1,238,873,896	741,552,740	1,118,044,130
	1,507,808,929	1,089,704,267	1,507,077,442
INCOME BEFORE INCOME TAX	6,080,663,916	2,064,302,831	4,459,731,537
PROVISION FOR INCOME TAX (Note 26)	891,521,856	657,501,803	1,364,762,658
NET INCOME	₱5,189,142,060	₱1,406,801,028	₱3,094,968,879
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	₱5,189,073,080	₱1,406,833,028	₱3,086,484,447
Non-controlling interests	68,980	(32,000)	8,484,432
	₱5,189,142,060	₱1,406,801,028	₱3,094,968,879
BASIC/DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (Note 32)	₱1.488	₱0.403	₱0.885

See accompanying Notes to Consolidated Financial Statements.



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2021	2020	2019
NET INCOME	₱5,189,142,060	₱1,406,801,028	₱3,094,968,879
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that will not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on defined benefit plans (Note 24)	183,583,672	(122,550,117)	(210,760,212)
Income tax effect (Note 26)	(45,895,918)	36,765,033	59,589,262
	137,687,754	(85,785,084)	(151,170,950)
TOTAL COMPREHENSIVE INCOME	₱5,326,829,814	₱1,321,015,944	₱2,943,797,929
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	₱5,326,760,834	₱1,321,047,944	₱2,935,313,497
Non-controlling interests	68,980	(32,000)	8,484,432
	₱5,326,829,814	₱1,321,015,944	₱2,943,797,929

See accompanying Notes to Consolidated Financial Statements.



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended December 31, 2021

Attributable to Equity Holders of the Parent Company

	Capital Stock (Note 20)	Additional Paid-in Capital (Note 20)	Remeasurement Gain on Defined Benefit Plans (Note 24)	Retained Earnings		Total	Non-controlling Interest	Total Equity
				Unappropriated (Note 20)	Appropriated (Note 20)			
Balances as at January 1, 2021	₱3,487,727,331	₱15,260,664	₱31,056,153	₱3,559,563,679	₱15,977,900,000	₱23,071,507,827	₱81,413,258	₱23,152,921,085
Net income	–	–	–	5,189,073,080	–	5,189,073,080	68,980	5,189,142,060
Other comprehensive loss	–	–	137,687,754	–	–	137,687,754	–	137,687,754
Total comprehensive income	–	–	137,687,754	5,189,073,080	–	5,326,760,834	68,980	5,326,829,814
Dividends declared (Note 20)	–	–	–	(1,245,000,000)	–	(1,245,000,000)	–	(1,245,000,000)
Balances as at December 31, 2021	₱3,487,727,331	₱15,260,664	₱168,743,907	₱7,503,636,759	₱15,977,900,000	₱27,153,268,661	₱81,482,238	₱27,234,750,899

For the year ended December 31, 2020

Attributable to Equity Holders of the Parent Company

	Capital Stock (Note 20)	Additional Paid-in Capital (Note 20)	Remeasurement Gain on Defined Benefit Plans (Note 24)	Retained Earnings		Total	Non-controlling Interest	Total Equity
				Unappropriated (Note 20)	Appropriated (Note 20)			
Balances as at January 1, 2020	₱3,487,727,331	₱15,260,664	₱116,841,237	₱5,658,918,153	₱13,719,000,000	₱22,997,747,385	₱99,886,668	₱23,097,634,053
Net income	–	–	–	1,406,833,028	–	1,406,833,028	(32,000)	1,406,801,028
Other comprehensive loss	–	–	(85,785,084)	–	–	(85,785,084)	–	(85,785,084)
Total comprehensive income	–	–	(85,785,084)	1,406,833,028	–	1,321,047,944	(32,000)	1,321,015,944
Appropriation for project development (Note 20)	–	–	–	(13,500,000,000)	13,500,000,000	–	–	–
Reversal of appropriation (Note 20)	–	–	–	11,241,100,000	(11,241,100,000)	–	–	–
Dividends declared (Note 20)	–	–	–	(1,247,287,502)	–	(1,247,287,502)	(13,573,000)	(1,260,860,502)
Purchase of non-controlling interest	–	–	–	–	–	–	(4,868,410)	(4,868,410)
Balances as at December 31, 2020	₱3,487,727,331	₱15,260,664	₱31,056,153	₱3,559,563,679	₱15,977,900,000	₱23,071,507,827	₱81,413,258	₱23,152,921,085



For the year ended December 31, 2019

Attributable to Equity Holders of the Parent Company

	Attributable to Equity Holders of the Parent Company					Total	Non-controlling Interest	Total Equity
	Capital Stock (Note 20)	Additional Paid-in Capital (Note 20)	Remeasurement Gain on Defined Benefit Plans (Note 24)	Retained Earnings				
				Unappropriated (Note 20)	Appropriated (Note 20)			
Balances as at January 1, 2019	₱3,487,727,331	₱15,260,664	₱268,012,187	₱7,171,047,120	₱10,396,000,000	₱21,338,047,302	₱99,242,236	₱21,437,289,538
Net income	-	-	-	3,086,484,447	-	3,086,484,447	8,484,432	3,094,968,879
Other comprehensive loss	-	-	(151,170,950)	-	-	(151,170,950)	-	(151,170,950)
Total comprehensive income	-	-	(151,170,950)	3,086,484,447	-	2,935,313,497	8,484,432	2,943,797,929
Appropriation for project development (Note 20)	-	-	-	(4,500,000,000)	4,500,000,000	-	-	-
Reversal of appropriation (Note 20)	-	-	-	1,177,000,000	(1,177,000,000)	-	-	-
Dividends declared (Note 20)	-	-	-	(1,275,613,414)	-	(1,275,613,414)	(7,840,000)	(1,283,453,414)
Balances as at December 31, 2019	₱3,487,727,331	₱15,260,664	₱116,841,237	₱5,658,918,153	₱13,719,000,000	₱22,997,747,385	₱99,886,668	₱23,097,634,053

See accompanying Notes to Consolidated Financial Statements.



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱6,080,663,916	₱2,064,302,831	₱4,459,731,537
Adjustments for:			
Depreciation and amortization (Notes 12, 13, 14 and 23)	534,008,418	559,712,830	440,425,897
Interest expense (Notes 16 and 25)	115,006,590	42,820,866	123,896,394
Net movement in net pension liability (Note 24)	85,214,680	(5,347,863)	6,105,798
Unrealized foreign exchange gain	(2,539)	166,582	(30,627)
Equity in net earnings of associates and joint venture (Note 11)	(22,490,145)	(16,600,906)	(57,871,060)
Finance income (Notes 6, 7 and 21)	(341,218,709)	(362,691,126)	(463,765,997)
Gain on sale of undeveloped parcel of land (Notes 9 and 22)	(12,431,642)	(6,406,705)	–
Operating income before changes in working capital	6,438,750,569	2,275,956,509	4,508,491,942
Decrease (increase) in:			
Receivables and contract assets (Note 7)	(6,234,184,638)	(1,555,269,483)	(2,530,893,582)
Real estate inventories (Notes 7, 9 and 16)	1,274,967,706	(2,948,157,527)	(6,285,527,254)
Other current assets (Note 10)	(568,756,375)	(795,812,016)	(380,543,726)
Increase (decrease) in:			
Accounts and other payables (Notes 14 and 18)	(845,712,160)	874,146,770	683,544,980
Liabilities for purchased land (Notes 17 and 25)	(448,235,434)	123,442,490	(105,980,727)
Contract liabilities and customers' advances and deposits (Note 19)	(1,198,307,530)	782,659,608	1,514,025,903
Payables to related parties	(94,105,428)	(231,881,175)	18,479,755
Net cash generated from (used for) operations	(1,675,583,290)	(1,474,914,824)	(2,578,402,709)
Interest received	341,218,709	362,691,126	463,765,997
Income tax paid	(941,399,073)	(813,707,505)	(1,106,790,574)
Interest paid and capitalized as cost of inventory (Notes 9 and 16)	(1,407,899,395)	(1,436,506,095)	(1,186,166,054)
Net cash provided by (used for) operating activities	(3,683,663,049)	(3,362,437,298)	(4,407,593,340)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend from an associate (Note 11)	45,000,000	36,000,000	25,500,000
Proceeds from disposals of:			
Undeveloped land (Note 9)	28,458,000	15,354,000	–
Property and equipment (Note 14)	–	–	–
Additions to:			
Property and equipment (Notes 14 and 18)	(174,377,425)	(436,501,811)	(724,376,509)
Software cost (Note 13)	(2,922,128)	(52,256,674)	(36,856,399)
Investment properties (Note 12)	(253,802)	(5,500,000)	–
Investments in associates and joint venture (Note 11)	(125,000,000)	–	(500,000,000)
Acquisition of noncontrolling interest	–	(4,868,410)	–
Net decrease (increase) in other noncurrent assets	501,404,752	750,497,002	(289,855,885)
Net cash provided by (used for) investing activities	₱272,309,397	₱302,724,107	(₱1,525,588,793)

(Forward)



	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES			
(Note 33)			
Proceeds from loans (Note 16)	₱9,957,831,560	₱10,849,810,000	₱8,970,240,000
Payments of loans (Note 16)	(5,679,191,797)	(8,358,195,851)	(1,990,803,598)
Dividends paid (Note 20)	(1,158,573,000)	(547,287,502)	(1,288,843,414)
Interest paid	(2,755,695)	(15,350,031)	(36,711,923)
Net cash provided by financing activities	3,117,311,068	1,928,976,616	5,653,881,065
EFFECT OF CHANGE IN EXCHANGE RATES ON			
CASH AND CASH EQUIVALENTS	2,539	(166,582)	30,627
NET DECREASE IN CASH AND			
CASH EQUIVALENTS	(294,040,045)	(1,130,903,157)	(279,270,441)
CASH AND CASH EQUIVALENTS AT			
BEGINNING OF YEAR	4,766,268,217	5,897,171,374	6,176,441,815
CASH AND CASH EQUIVALENTS AT			
END OF YEAR (Note 6)	₱4,472,228,172	₱4,766,268,217	₱5,897,171,374

See accompanying Notes to Consolidated Financial Statements.



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

DMCI Project Developers, Inc. (the Parent Company) was incorporated and domiciled in the Republic of the Philippines and registered with the Securities and Exchange Commission (SEC) on April 27, 1995. The Parent Company is organized to deal and engage in the development of residential subdivisions and construction of condominium and housing units. The Parent Company offers range of products from middle-income to high-end housing and condominium projects.

The Parent Company is majority-owned by DMCI Holdings, Inc. (DMCI-HI), its ultimate parent company, partially-owned by D.M. Consunji, Inc. (also a subsidiary of DMCI-HI), and the rest by its directors and officers.

The Parent Company has six (6) wholly owned subsidiaries and one (1) majority owned subsidiary (see Note 2).

On July 14, 2020, the Parent Company purchased 49% of the outstanding shares of Zenith Mobility Services Solutions, Inc. (ZMSSI). Consequently, the direct ownership percentage of the Parent Company over ZMSSI increased from 51% to 100%.

On September 18, 2020, the Parent Company entered into a Share Purchase Agreement to purchase the total outstanding shares or 418,300 common shares of L & I Development Corporation (LIDC), a domestic corporation. On October 1, 2020, the shareholders of LIDC and the Parent Company entered into a deed of assignment of shares to acquire 100% voting shares of LIDC for a total consideration of ₱624.35 million. The primary purpose of LIDC is to engage and deal with the real estate, construction and leasing. The acquisition of LIDC was accounted for as an asset acquisition (see Notes 3 and 9).

The Parent Company's registered office and principal place of business is at DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, Makati City.

The consolidated financial statements of the Group as of December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2020 were approved and authorized for issue by the Board of Directors (BOD) on February 24, 2022.

2. Basis of Preparation

The accompanying consolidated financial statements of the Group have been prepared using the historical cost basis. The consolidated financial statements are presented in Philippine Peso (₱), which is also the Parent Company's functional and presentation currency. All amounts are rounded off to the nearest Peso unless otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs as issued and approved by SEC in response to COVID-19 pandemic.



Through the Parent Company, the Group has availed of the relief granted by the SEC under Memorandum Circular (MC) No. 34-2020 which further extended the deferral of PIC Q&A 2018-12-D (assessment if the transaction price includes a significant financing component) until December 31, 2023.

The Group has also availed of the relief granted by SEC under MC No. 34-2020 deferring the adoption of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, Borrowing Cost (the IFRIC Agenda Decision on Borrowing Cost) until December 31, 2023.

SEC MC No. 34-2020 deferring the adoption of the exclusion of land in the calculation of percentage of completion is not applicable to the Group as it is already complying with the requirements of the provisions of the Philippine Interpretations Committee Q&A No. 2018-12.

As of December 31, 2021 and 2020 capitalized borrowing cost included as part of the carrying amount of real estate inventories amounted to ₱1,297.63 million and ₱1,159.72 as of December 31, 2021 and 2020, respectively (see Note 9).

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations Committee (PIC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and,
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and,
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.



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

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

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any noncontrolling-interests and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (which are all incorporated and domiciled in the Philippines). The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

Subsidiaries	Percentage of ownership		
	2021	2020	2019
Hampstead Gardens Corporation (HGC)	100.00	100.00	100.00
DMCI Homes, Inc. (DHI)	100.00	100.00	100.00
DMCI Homes Property Management Corporation (DPMC)	100.00	100.00	100.00
DMCI-PDI Hotels, Inc. (DPHI)	100.00	100.00	100.00
Zenith Mobility Services Solutions, Inc. (ZMSSI)*	100.00	100.00	51.00
L & I Development Corporation (LIDC)	100.00	100.00	—
Riviera Land Corporation (RLC)	62.62	62.62	62.62

All of Parent Company's subsidiaries have started commercial operations. The related principal activity of these subsidiaries is summarized below:

- a) HGC – real estate developer*
- b) DHI – real estate brokerage*
- c) RLC – real estate developer
- d) LIDC – real estate and leasing services*
- e) DPMC – property management
- f) DPHI – hotel operator
- g) ZMSSI – mobility services provider of the Group

*Ongoing liquidation.

Non-controlling Interests

Non-controlling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group.



Non-controlling interests are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from parent shareholder's equity. Any losses applicable to the non-controlling interests are allocated against the interests of the non-controlling interest even if this results to the non-controlling interest having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction.

Any excess or deficit of consideration paid over the carrying amount of the non-controlling interest is recognized in equity of the parent in transactions where the non-controlling interest are acquired or sold without loss of control.

3. Changes in Accounting Policies

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year, except for the adoption of new standards effective in 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of these new standards did not have a significant impact on the consolidated financial statements of the Group.

- Amendments to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*
The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all criteria provided.

This amendment is not applicable to the Group as there are no rent concessions granted to the Group as a lessee.

- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*
The amendments provide certain temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR), as well as the required disclosures.

This amendment is not applicable to the Group.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the relevant pronouncements when they become effective.



Effective beginning on or after January 1, 2022

- *Amendments to PFRS 3, Reference to the Conceptual Framework*
The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

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

- *Amendments to PAS 16, Plant and Equipment: Proceeds before Intended Use*
The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

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

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

- *Amendments to PAS 37, Onerous Contracts – Costs of Fulfilling a Contract*
The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

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

- *Annual Improvements to PFRSs 2018-2020 Cycle*
 - *Amendments to PFRS 1, First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
 - *Amendments to PFRS 9, Financial Instruments, Fees in the ‘10 per cent’ test for derecognition of financial liabilities*
 - *Amendments to PAS 41, Agriculture, Taxation in fair value measurements*

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



Effective beginning on or after January 1, 2023

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

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

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2024

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

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right



- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

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

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

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

The Group is currently assessing the impact of adopting these amendments.

4. Summary of Significant Accounting Policies

Current versus Noncurrent Classification

The Group presents assets and liabilities in consolidated statement of financial position based on current and noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or,
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.
-

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;



- It is due to be settled within 12 months after reporting date; or,
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

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

Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

The Group's management determined the policies and procedures for both recurring and nonrecurring fair value measurement.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



Recognition and Measurement of Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

a. Initial recognition

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL).

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

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

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

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

The Group's financial assets comprise of financial assets at amortized cost.

b. Subsequent measurement – Financial assets at amortized cost

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

- the asset is held within a business model, the objective of which is to hold financial assets in order to collect contractual cash flows; and,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Receivables from sale of real estate inventories relate to "Installment contracts receivable" account under consolidated statement of financial position caption "Receivables". The Group entered with various purchase agreements with financial institutions whereby the related installment contracts receivable are sold on a with recourse basis. The risk and rewards associated with the asset retains with the Group.



The Group classified cash in banks, cash equivalents, receivables, deposit in escrow fund under “Other current assets”, recoverable deposits and contract retention under “Other noncurrent assets” as financial assets at amortized costs (see Notes 6, 7, 10, 15 and 31).

c. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group’s consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

d. Impairment

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

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash in banks, cash equivalents and deposit in escrow fund, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group’s policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. To estimate the ECL, the Group uses the ratings published by a reputable rating agency.



For receivables and contract retention, except for receivables from related parties where the Group applies general approach, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For its contract assets and installment contracts receivable (ICR), the Group uses the vintage analysis for ECL by calculating the cumulative loss rates of a given ICR pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

As these are future cash flows, these are discounted back to the time of default using the appropriate EIR, usually being the original EIR or an approximation thereof. The Group considers contract assets and installment contracts receivable in default when sales are cancelled and supported by a notarized cancellation letter executed by the Group and unit buyer. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For other receivables, the Group uses a provision matrix to calculate ECLs. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type). The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and change in gross domestic product (GDP). At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

For receivables from related parties, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

a. Initial recognition and measurement

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



All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Transaction costs are deducted against loans payable and are amortized over the terms of the related borrowings using the effective interest method.

The Group's financial liabilities comprise of loans and borrowings (financial liabilities at amortized cost).

b. Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

The Group's loans and borrowings include accounts and other payables, payables to related parties, loans payable and liabilities for purchased land (see Notes 16, 17, 18, 27 and 31).

c. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Group intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Real Estate Inventories

Real estate inventories consist of subdivision land, residential houses and lots and condominium units for sale and development. These are properties acquired or being constructed for sale in the ordinary course of business rather than to be held for rental or capital appreciation. These are held as inventory and are measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Land and land improvement costs;
- Construction and development costs, including amounts paid to contractors; and,
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads, capitalized borrowing costs and other related costs.



NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less costs to complete and the estimated costs of sale. The carrying amount of inventories is reduced through the use of allowance account and the amount of loss is charged to profit or loss.

Undeveloped land is carried at lower of cost and NRV.

The costs of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs. The total costs are allocated pro-rata based on the relative size of the property sold.

Valuation allowance is provided for real estate held for sale and development when the NRV of the properties are less than their carrying amounts.

Investments in Associates and Joint Venture

An associate is an entity in which the Group has significant influence and which is neither a subsidiary. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over these policies.

Joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries. The Group's investment in associates and joint venture are accounted for using equity method.

The investments in associates and joint venture are accounted for in the consolidated financial statements using the equity method. Under the equity method, an investment in an associate or joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in the other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and joint venture is shown on the face of the consolidated statement of income outside of operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate and joint venture. If the Group's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share of further losses.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.



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

Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in the administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through consolidated statement of income. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9, is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with PFRS 9. Other contingent consideration that is not within the scope of PFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU.



Asset Acquisitions

To assess whether a transaction is the acquisition of a business, the Group applies first a quantitative concentration test (also known as a screening test). The Group is not required to apply the test but may elect to do so separately for each transaction or other event. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is required. Otherwise, or if the Group elects not to apply the test, the Group will perform the qualitative analysis of whether an acquired set of assets and activities includes at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

If the assets acquired and liabilities assumed in an acquisition transaction do not constitute a business as defined under PFRS 3, the transaction is accounted for as an asset acquisition. The Group identifies and recognizes the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets) and liabilities assumed. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such transaction or event does not give rise to goodwill. Where the Group acquires a controlling interest in an entity that is not a business, but obtains less than 100% of the entity, after it has allocated the cost to the individual assets acquired, it notionally grosses up those assets and recognizes the difference as non-controlling interests.

Investment Properties

Investment properties comprise of completed properties that are held to earn rentals or capital appreciation or both and that are not occupied by the companies in the Group.

The Group uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation.

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged to profit or loss in the period in which the costs are incurred.

Depreciation of investment properties are computed using the straight-line method over the estimated useful lives (EUL) of assets of 20 years. The EUL and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

Investment properties are derecognized when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statement of income in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of the property for measurement or for disclosure purposes.



Property and Equipment

Property and equipment, except for land, are stated at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment in value.

The initial cost of property and equipment comprises its purchase price, including any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

Depreciation of property and equipment commences once the property and equipment are available for use and is calculated on a straight-line basis over the EUL of the assets, as follows:

	Years
Building and leasehold improvements	20
Office machines and equipment	3
Office furniture and fixtures	3
Transportation equipment	5
Construction machinery and equipment	5

The residual values, EUL and the depreciation method are reviewed at each financial reporting date to ensure that the period and the method of depreciation is consistent with the expected pattern of economic benefits from items of property and equipment.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is credited or charged to the consolidated statement of income.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of income in the year the item is derecognized.

Intangible Assets

Software cost

Costs that are directly associated with identifiable and unique software controlled by the Group and will generate economic benefits exceeding costs beyond one (1) year, are recognized as intangible assets to be measured at cost less accumulated amortization and accumulated impairment, if any. Otherwise, such costs are recognized as expense as incurred.

Expenditures which enhance or extend the performance of computer software programs beyond their original specifications are recognized as capital improvements and added to the original cost of the software. System development costs, recognized as assets, are amortized using the straight-line method over three (3) years. Where an indication of impairment exists, the carrying amount of computer system development costs is assessed and written down immediately to its recoverable amount.



Other Assets

Other current and noncurrent assets pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group.

Advances to contractors and suppliers

Advances to contractors and suppliers are carried at cost less impairment losses, if any. These are classified based on the actual realization of such advances determined with reference to usage/realization of the asset to which it is intended for (e.g., real estate inventories, investment properties, property and equipment).

Deposit in escrow fund

Deposit in escrow pertains to cash deposited in a local bank that is restricted from being exchanged or used to settle a liability. Deposit in escrow is classified as current asset if it is expected to be used and released from restriction within 12 months after the reporting period. Otherwise, this is presented as part of noncurrent assets.

Value-added tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount. The net amount of VAT recoverable and payable from the taxation authority is included as part of "Other current assets" and "Accounts and other payables", respectively, in the consolidated statement of financial position.

The net amount recoverable from, or payable to, the taxation authority within 12 months from end of reporting period is presented as current; otherwise the amount is presented as noncurrent.

Prepaid expenses

Prepaid expenses include prepayments for taxes and licenses and insurance and are carried at cost less amortized portion.

Impairment of Nonfinancial Assets

The Group assesses at each financial reporting date whether there is an indication that its nonfinancial asset (e.g., investment properties, property and equipment, software costs, investments in associates and joint venture, other current and noncurrent nonfinancial assets) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

Property and Equipment, Investment Properties, Software Costs and Other Nonfinancial Assets

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.



A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, depletion and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

Investments in Associates and Joint Venture

For investments in associates and joint venture, after application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in associates or jointly controlled entity is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the carrying value and the recoverable amount of the investee company and recognizes the difference in the consolidated statement of income.

Liabilities for Purchased Land

Liabilities for purchase of land represent unpaid portion of the acquisition costs of raw land for future development, including other costs and expenses incurred to effect the transfer of title of the property. Noncurrent portion of the carrying amount is discounted using the applicable interest rate for similar type of liabilities at the inception of the transactions.

Equity

Capital stock

The Group records capital stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity share.

When the shares are sold at premium, the difference between the proceeds at the par value is credited to "Additional paid-in capital" account. Direct costs incurred related to equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Retained earnings

Retained earnings represent accumulated earnings of the Group, less dividends declared and adjustments resulting from adoption of new accounting policy/standard. Appropriated retained earnings are set aside for future business expansions.

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

Other comprehensive income (OCI)

OCI comprises of items of income and expense that are not recognized in the consolidated profit or loss for the year in accordance with PFRSs. OCI of the Group pertains to remeasurements, which consist of the actuarial gains and losses during the year on the defined benefit obligation.



Revenue and Cost Recognition

Revenue from Contract with Customers

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contract with customers is recognized when control of the goods or services are transferred to the customer at the amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to their customers. The following specific recognition criteria must also be met before revenue is recognized:

Revenue recognized over time using output method

- *Real estate sales*

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

In measuring the progress of its performance obligation over time, the Group uses output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report prepared by project engineers, and reviewed and approved by area managers under construction department which integrates the surveys of performance to date of the construction activities for both subcontracted and those that are fulfilled by the developer itself.

Any excess of progress of work over the right to an amount of consideration that is unconditional (recognized as installment contracts receivables under "Receivables") is included in the "Contract assets" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized installment contracts receivable and contract assets is included in the "Contract liabilities" account in the liabilities section of the consolidated statement of financial position. The impact of the significant financing component on the transaction price has not been considered since the Group availed the relief granted by the SEC under Memorandum Circular Nos. 14-2018 as of 2018 for the implementation issues of PFRS 15 affecting the real estate industry. Under the SEC Memorandum Circular No. 34, the relief has been extended until December 31, 2023.

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



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

- *Revenue from property management services*
Revenue from property management services are derived from management and reimbursable fees charged to condominium corporations and homeowners' associations.

Revenue from management services is recognized over time as the customers receives and consumes the benefit from the management services provided by the Group to the condominium corporations and homeowners' association over the contract period. Reimbursable fees are charges for the directly employed personnel in condominium corporations and homeowners' association such as property manager, facilities officer, property accountant and other administrative officers to manage and operate the condominium corporation.

The customers are billed for a fixed fee every month for the management services provided and each personnel deployed with the related statement of account for the charges. As a practical expedient allowed under PFRS 15, the Group recognizes revenue in the amount to which the Group has a right to invoice since the right to the consideration from customer corresponds directly with the value of the entity's completed performance to date. The Group also availed of the practical expedient in PFRS 15 on the disclosure of information about the transaction price allocated to remaining performance obligations given that the entity recognizes revenue directly with the value of entity's performance completed to date.

Cost of property management pertains to actual cost incurred from salaries, wages and benefits paid out to manpower deployed by the Group to condominium corporations and homeowners' associations.

- *Revenue from elevator maintenance services*
Service revenue is recognized over time, as the customers receives and consumes the benefit from the performance of the related elevator and maintenance services. The customers are billed for a fixed fee every month upon submission of the invoice together with the related service report by the Group. As a practical expedient allowed under PFRS 15, the Group recognizes revenue in the amount to which the Group has a right to invoice since the Group bills a fixed amount of maintenance fee as stipulated in the contract.

Revenue recognized over time using input method

- *Contractor's revenue*
Revenue from construction contracts are recognized over time (POC) using the input method. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation, or the total estimated costs of the project. The Group uses the cost accumulated by the accounting department to determine the actual resources used. Input method exclude the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.



Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total unavoidable contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements that may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined. Profit incentives are recognized as revenue when their realization is reasonably assured. Contract receivables are presented as part of "Trade receivables" under the "Receivables" account in the consolidated statement of financial position. Contract retention is presented as part of "Other noncurrent assets" account in the consolidated statement of financial position. The liability "Billings in excess of costs and estimated earnings on uncompleted contracts", which is presented under "Contract liabilities", represents billings in excess of total costs incurred and estimated earnings recognized.

Revenue recognized at a point in time

- *Revenue from hotel services*

Revenue from hotel services such as room use, food and beverage sales and other departments are recognized when the related sales and services are rendered.

The Group sells food and beverage that are either sold separately or bundled together with the room accommodation services to a guest. The sale of food and beverage can be obtained from other providers and do not significantly customize or modify the room accommodation services. Contracts for bundled sale of food and beverage and room accommodation services are comprised of two (2) performance obligations because the promises to sell food and beverage and provide room accommodation services are capable of being distinct and separately identifiable.

The performance obligation for room accommodation and food and beverage services are expected to be recognized within one (1) year. The Group has applied the practical expedient not to disclose remaining performance obligations for contracts with original expected duration of less than one (1) year.

Cost of hotel services include expenses incurred by the Group for the generation of revenue from room rentals, food and beverage sales, transportation services and other hotel income. This amount also includes plates, utensils, drinking vessels and bed linens. Departmental costs and expenses are expensed as incurred.

- *Revenue from elevator and installation services*

Sales revenue pertains to the delivery and installation of spare parts and equipment. The installation required is performed only by the Group as agreed with the customers and is not allowed of being performed by several alternative service providers. Given this, the customer cannot benefit from the equipment on its own. Accordingly, management determines that the equipment and installation are not separable and represent one (1) performance obligation. Revenue from the sale of equipment and installation service is recognized at a point in time because the equipment has no design specifications that are unique to the customer. Revenue is recognized when control of the asset is transferred to the customer upon acceptance by the customer and installation of the asset. The performance obligation for the delivery of spare parts and equipment and installation are expected to be recognized within one (1) year.



Contract Balances

Receivables

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

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. This is reclassified as installment contracts receivable when the monthly amortization of the customer is already due for collection.

Contract liabilities

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

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced. Contract liability also arises from billings, including advances from contract owner, in excess of total costs incurred and estimated earnings recognized. Using the practical expedient in PFRS 15 (except for customer contracts related to real estate sales where the Group opted to defer the accounting for significant financing component), the Group does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised service to the customers and when the customer pays for that service will be one (1) year or less.

Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group's commission payments to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to "Cost of real estate sales" account in the consolidated statement of income in the period in which the related revenue is recognized as earned. Capitalized cost to obtain a contract is included in "Other current and noncurrent assets" account in the consolidated statement of financial position. Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract fulfillment assets

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

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



The Group's contract fulfillment assets pertain to connection fees and land acquisition costs included in the "Real Estate Inventories" account in the consolidated statement of financial position.

Amortization, derecognition and impairment of contract fulfillment assets and capitalized costs to obtain a contract

The Group amortizes contract fulfillment assets and capitalized costs to obtain a contract to cost of real estate sales over the expected construction period using POC, following the pattern of real estate revenue recognition.

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

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

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

Where a contract is anticipated to make a loss, there judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Other Revenue and Income Recognition

Forfeitures and cancellation of real estate contracts

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

Finance income

Interest income is recognized as it accrues (using the EIR method, i.e, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividend income

Dividend income is recognized when the Group's right as a shareholder to receive payment is established, which is generally when BOD approve the dividend.

Management fees

Revenue from management fees is recognized when earned and is included in the "Other income" account under the consolidated statement of income.



Rental income

Rental income from investment properties is recognized in profit or loss on a straight-line basis over the lease term for non-cancellable lease or based on the terms of the lease contract for cancellable lease. This is included under “Other income” account in the consolidated statement of income.

Other income

Other income is recognized when the related services have been rendered.

General, Administrative and Other Expenses

These are recognized in the consolidated statement of income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the consolidated statement of income:

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

Costs and expenses are generally recognized as they are incurred and measured at the amount paid or payable.

Foreign Currency Translations and Transactions

The Group’s consolidated financial statements are presented in Philippine Peso, which is its functional and presentation currency. Each entity within the Group determines its own functional currency and items included in the consolidated financial statements are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the financial reporting date. All differences are taken to the consolidated statement of income for the year.

Pension Costs

The Group has a noncontributory defined benefit multiemployer retirement plan.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.



Defined benefit costs comprise the following:

- Service cost;
- Net interest on the net defined benefit liability or asset; and,
- Remeasurements of net defined benefit liability or asset.

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

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

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

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Borrowing Costs

As discussed above, the Group availed of the relief granted by SEC under MC No. 34-2020 (see Note 9). Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in "Real estate inventories" account in the consolidated statement of financial position). All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.



Capitalization of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Borrowing costs are also capitalized on the purchased cost of a site property acquired specially for development but only where activities necessary to prepare the asset for development are in progress.

Income Taxes

Current tax

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

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized OCI or in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences with certain exception. Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in associates and joint ventures.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the financial reporting date. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged against or credited to income for the period.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.



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

Leases

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

Group as Lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized as income on a straight-line basis over the lease term and is included as other income in the consolidated statement of income. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rent is recognized as revenue in the period it is earned.

Group as Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Group has no lease arrangements qualifying under PFRS 16.

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

Earnings Per Share (EPS)

Basic EPS is computed by dividing the consolidated net income for the year attributable to equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year and adjusted to give retroactive effect to any stock dividends declared during the period.

Diluted EPS is computed by dividing the net income for the year attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year adjusted for the effects of dilutive convertible redeemable preferred shares. Diluted EPS assumes the conversion of the outstanding preferred shares, if any. When the effect of the conversion of such preferred shares is anti-dilutive, no diluted EPS is presented.

Provisions

Provisions are recognized only when the Group has: (a) a present obligation (legal or constructive) as a result of a past event; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and, (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at each financial reporting date and adjusted to reflect the current best estimate.



Contingencies

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

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group generally accounts for intersegment revenues and expenses at agreed transfer prices. Financial information on business segments is presented in Note 29 to the consolidated financial statements.

Events After the Reporting Period

Post year-end events up to the date of the auditor's report that provide additional information about the Group's position at reporting date (adjusting events) are reflected in the consolidated financial statements. Any post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

5. Significant Accounting Judgments and Estimates

The preparation of the accompanying consolidated financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Revenue recognition method and measure of progress

The Group concluded that revenue for real estate sales is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use, and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. The Group also considers the buyer's commitment to continue the sale which may be ascertained through the significance of the buyer's initial payments and the stage of completion of the project. In determining whether the sales prices are collectible, the Group considers that initial and continuing investments of the buyer reaching a certain level of payment which would demonstrate the buyer's commitment to pay. Collectability is also assessed by considering factors such as history with the buyer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of buyers' equity before allowing revenue recognition.



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

Assessment of significant influence

The Group classifies its investee companies as an associate if the Parent Company has significant influence in the investee company. Significant influence is presumed to exist if the Parent Company has a holding of 20.00% or more of the voting power of the investee. Holding of less than 20.00% of the voting power is presumed not to give rise to significant influence, unless it can be clearly demonstrated that there is in fact significant influence.

As of December 31, 2021 and 2020, the Parent Company holds 4.62% interest in Celebrity Sports Plaza, Inc. (CSPI). The Parent Company exercises significant influence in CSPI due to the presence of the Parent Company's Chairman in the Board of CSPI. Hence, the Chairman of the Parent Company, effectively, have a participation in the policy-making processes of CSPI (see Note 11).

Impairment of nonfinancial assets

The Group assesses the impairment of nonfinancial assets (e.g., investment properties, property and equipment, software costs, investments in associates and joint venture and other nonfinancial assets) whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of usage of the acquired assets or the strategy for the Group's overall business; and,
- significant negative industry or economic trends.

The Group estimates the recoverable amount as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use or its net selling price. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

As of December 31, 2021 and 2020, no indicators of impairment have been identified for the Group's nonfinancial assets. See Notes 10, 11, 12, 13, 14 and 15 for the carrying values of these nonfinancial assets.

Evaluation whether the acquired set of assets constitute a business

In determining whether a transaction or an event is a business combination, the Group assessed whether the assets acquired and liabilities assumed constitute a business. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. Further, a business consists of inputs and processes applied to those inputs that have the ability to create outputs.

The Parent Company and LIDC executed a deed of assignment of shares wherein the shareholders of LIDC sells, conveys, transfers, and assigns all their rights, interests and titles in and to the shares for a total consideration amounting to ₱624.35 million. As of purchase date, the assets of LIDC mainly consists of land and building leased out to tenants. The Group assessed that the acquisition does not constitute a business. In making the judgment, the Group elected to apply the optional concentration test to determine whether the acquired land to be used for future projects constitute a business. The



Group has determined that the acquisition is a purchase of an asset as the acquisition passed the concentration test due to: a) the land and building is considered a single identifiable asset b) substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset. As such, the transaction was accounted for as an acquisition of an asset and the entire consideration was recognized as part of real estate inventories in the consolidated statement of financial position (see Note 9).

Contingencies

The Group is involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside legal counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe these proceedings will have a material effect on the Group's financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (see Note 28).

Management's Use of Estimates

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

Revenue and cost recognition on real estate projects

The assessment process for the POC and the estimated project development costs requires technical determination by management's specialists (project engineers). The Group applies POC method in determining real estate revenue. The POC is measured principally on the basis of the estimated completion of a physical proportion of the contract work based on the inputs of the internal project engineers.

In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group.

Revenue from real estate sales amounted to ₱24,101.97 million, ₱15,854.27 million and ₱18,073.95 million in 2021, 2020 and 2019, respectively (see Note 29).

Provision for expected credit losses

The Group uses the vintage approach for installment contracts receivable and contract assets and provision matrix for other receivables to calculate ECLs.

(i) Installment contracts receivable and contract assets

Vintage analysis calculates the vintage default rate of each period through a ratio of default occurrences of each given point in time in that year to the total number of receivable issuances or occurrences during that period or year. The rates are also determined based on the default occurrences of customer segments that have similar loss patterns (i.e., by payment scheme).

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



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

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

(ii) Other receivables

The Group uses a provision matrix to calculate ECLs for other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. No resulting expected credit losses resulted from the analysis.

Receivables of the Group that were impaired and fully provided with allowance through specific identification amounted to ₱43.71 million and ₱33.18 million as of December 31, 2021 and 2020, respectively (see Note 7).

Evaluation of net realizable value of real estate inventories

The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In evaluating NRV, recent market conditions and current market prices have been considered.

Real estate inventories carried at cost amounted to ₱41,236.26 million and ₱40,914.58 million as of December 31, 2021 and 2020, respectively (see Note 9).

Estimating useful lives of property and equipment, software costs and investment properties

The Group estimates the useful lives of its property and equipment, software costs, investment properties based on the period over which the assets are expected to be available for use. The EUL of property and equipment, software costs and investment properties are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. A reduction in the EUL of investment properties, software costs and property and equipment would increase the recorded depreciation and amortization expense and decrease the related asset accounts.



The carrying value of the Group's property and equipment amounted to ₱1,751.85 million and ₱1,917.93 million as of December 31, 2021 and 2020, respectively (see Note 14). The carrying value of software amounted to ₱12.61 million and ₱66.56 million as of December 31, 2021 and 2020, respectively (see Note 13). The carrying value of investment properties amounted to ₱95.66 million and ₱109.11 million as of December 31, 2021 and 2020, respectively (see Note 12).

Recognizing deferred tax assets

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

The deferred tax assets recognized amounted to ₱126.94 million and ₱120.56 million as of December 31, 2021 and 2020, respectively. The unrecognized deferred tax assets of the Group amounted to ₱20.89 million and ₱31.83 million as of December 31, 2021 and 2020, respectively (see Note 26).

Estimation of defined benefit obligation and other retirement benefits

The determination of the obligation and cost of retirement and other employee benefits is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rates, salary increase rates and pension increases (see Note 24). Actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While the Group believes that the assumptions are reasonable and appropriate, significant differences between actual experiences and assumptions may materially affect the cost of employee benefits and related obligations.

The Group also estimates other employee benefits obligation and expense, including the cost of paid leaves based on historical leave availment of employees, subject to the Group's policy. These estimates may vary depending on the future changes in salaries and actual experiences during the year. The net pension liabilities as at December 31, 2021 and 2020 amounted to ₱150.61 million and ₱248.60 million, respectively (see Note 24).

6. Cash and Cash Equivalents

	2021	2020
Cash on hand and in banks	₱3,677,234,022	₱3,241,785,250
Cash equivalents	794,994,150	1,524,482,967
	₱4,472,228,172	₱4,766,268,217

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months, depending on the immediate cash requirements of the Group, and earn interest at the prevailing short-term investment rates ranging from 0.19% to 1.75% in 2021, 0.50% to 3.50% in 2020 and 2.00% to 7.00% in 2019.

Interest income earned on bank deposits and cash equivalents amounted to ₱20.78 million, ₱49.69 million and ₱186.11 million for the years ended December 31, 2021, 2020 and 2019, respectively (see Note 21).



7. Receivables

	2021	2020
Trade		
Installment contracts receivable	₱2,776,999,872	₱5,627,899,190
Receivables from buyers	743,120,459	837,840,279
Property management services	164,102,443	148,758,324
Contracts receivable (Note 27)	180,638,449	115,178,869
Elevator and maintenance	18,726,616	28,910,571
Hotel operations	2,476,034	1,930,800
Receivables from:		
Condominium corporations	409,727,085	379,503,663
Rental (Note 28)	76,392,799	69,739,790
Employees	34,537,220	30,006,898
Related parties (Note 27)	120,475,770	17,189,720
Others	181,304,867	127,625,464
	4,708,501,614	7,384,583,568
Less allowance for expected credit losses (Note 5)	43,708,281	33,181,251
	₱4,664,793,333	₱7,351,402,317

Installment contracts receivable

Installment contracts receivable consists of accounts collectible in equal monthly principal installments with various terms up to a maximum of 10 years. These are recognized at amortized cost using the effective interest method with an annual interest rates ranging from 9.00% to 19.00%. The corresponding titles to the residential units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. Installment contracts receivable are collateralized by the related property sold. The Group records any excess of progress of work over the right to an amount of consideration that is unconditional as contract assets (see Note 8). Interest income from installment contracts receivable amounted to ₱320.43 million, ₱313.00 million and ₱277.66 million in 2021, 2020 and 2019, respectively (see Note 21).

The Group entered into various receivable purchase agreements with various local banks whereby the Group sold its installment contracts receivable on a “with recourse basis”. As of December 31, 2021 and 2020, available credit line for this facility amounted to ₱2,846.65 million and ₱1,970.79 million, respectively.

The Group retains the assigned receivables in the “Installment contracts receivable” account and records the proceeds from these sales as loans payable. The carrying value of installment contracts receivable sold on a with recourse basis and the corresponding outstanding loan obligation amounted to ₱2,441.03 million and ₱55.65 million as of December 31, 2021 and 2020, respectively (see Note 16).

Receivables from buyers

Receivables from buyers pertain to advances for real estate taxes, deposits and other chargeable expenses to buyers which are normally collectible within one (1) year.

Receivables from property management services

Receivables from property management services arise from reimbursable and management fees charged to various condominium corporations and homeowners association for the administration and management of condominiums for the benefit of the unit owners and the occupants.



Contracts receivable

Contracts receivable consists of amounts arising from the construction activities in relation to the joint venture with RDPVI. These receivables are based on progress billings provided to customers over the period of construction.

Receivables from elevator and maintenance services

Receivables from elevator and maintenance services refers to outstanding billings for services rendered arising from maintenance of elevators. This account is noninterest-bearing and generally collectible within one (1) year.

Receivables from hotel operations

Receivables from hotel operations pertain to unpaid customer billings for charges from room accommodations, sale of food and beverage, and transportation services.

Receivable from condominium corporations

Receivables from condominium corporations are due and demandable.

Receivable from rental

Receivables from rental arising from lease of investment properties are due and demandable.

Receivable from employees

Receivables from employees pertain to salary and other loans granted to the Group's employees that are collectible through salary deduction, are noninterest-bearing and has various maturity dates and advances for liquidation to be used for operations.

Others

Others include advances to brokers which are expected to be collected within one (1) year. The Group recognized provision for expected credit loss amounting to ₱10.53 million, ₱22.67 million and ₱8.46 million in 2021, 2020 and 2019, respectively, for individually impaired receivables from property management services. These expected credit losses are recognized under "General and administrative expenses" account in the consolidated statements of income (see Note 23).

Movements in the allowance for expected credit losses are as follows:

2021					
Receivables					
	Developer	Hotel	Property Management	Others	Total
At January 1	₱-	₱-	₱32,644,530	₱536,721	₱33,181,251
Provision (Note 23)	-	-	10,527,030	-	10,527,030
At December 31	₱-	₱-	₱43,171,560	₱536,721	₱43,708,281

2020					
Receivables					
	Developer	Hotel	Property Management	Others	Total
At January 1	₱-	₱-	₱9,979,030	₱536,721	₱10,515,751
Provision (Note 23)	-	-	22,665,500	-	22,665,500
At December 31	₱-	₱-	₱32,644,530	₱536,721	₱33,181,251



8. Contract Assets

	2021	2020
Current portion	₱10,865,845,025	₱7,694,660,988
Noncurrent portion	12,455,643,184	6,706,033,597
	₱23,321,488,209	₱14,400,694,585

The movement in contract assets is mainly due to new real estate sales recognized during the period and increase in construction accomplishments resulting to higher percentage of completion. This is reduced by the reclassification to installment contracts receivable when monthly amortization of the customer becomes due for collection.

9. Real Estate Inventories

	2021	2020
Condominium units and subdivision land for sale	₱23,236,211,508	₱22,790,448,510
Land - at cost	18,000,049,508	18,124,128,793
	₱41,236,261,016	₱40,914,577,303

Real estate inventories are carried at cost which is lower than their respective net recoverable value.

Borrowing costs capitalized in 2021, 2020 and 2019 amounted to ₱1,407.90 million, ₱1,436.51 million and ₱1,186.17 million, respectively. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization in 2021, 2020 and 2019 are 4.60%, 5.01% and 5.59%, respectively (see Notes 3 and 16). The capitalized amount is the actual borrowing costs incurred, less any investment income on temporary investment of the borrowing. As of December 31, 2021 and 2020, the capitalized borrowing cost included in the cost of inventories as of the same dates amounted to ₱1,297.63 million and ₱1,159.72 million, respectively.

No provision for impairment and reversal were recognized in 2021, 2020 and 2019. There are no real estate inventories used as collateral or pledged as security to secure liabilities.

A summary of the movement in real estate inventories is set out below:

	2021	2020
Balance at beginning of year	₱40,914,577,303	₱36,901,428,819
Construction/development cost incurred	14,610,522,721	11,616,551,081
Land acquired	589,788,407	3,213,208,505
Borrowing costs capitalized (Note 16)	1,407,899,395	1,436,506,095
Cost of undeveloped land sold	(16,026,358)	(8,947,295)
Transfer to property and equipment (Note 14)	(140,134,599)	(362,567,843)
Cost of real estate sales	(16,130,365,853)	(11,881,602,059)
Balance at end of year	₱41,236,261,016	₱40,914,577,303

As discussed in Note 1, On October 1, 2020, the acquisition of LIDC was considered as acquisition of an asset and did not result to any goodwill. The purchase price consideration has been fully allocated to undeveloped land acquired during the 2020 amounting to ₱624.35 million since the land will be used by the Group for its future residential projects with the intention to sell in the ordinary course of business.



The Group sold undeveloped parcels of land in 2021 and 2020 at a gain of ₱12.43 million and ₱6.41 million, respectively (nil in 2019). The gain on sale of land is presented under "Other income" account in the consolidated statements of income (see Note 22).

Costs of real estate sales include acquisition cost of land, cost of land improvements, amount paid to contractors, development costs, capitalized borrowing costs and other costs attributable to bringing the real state inventories to its intended condition. Depreciation expense included in the cost of real estate sales amounted to ₱321.82 million, ₱299.41 million and ₱189.48 million in 2021, 2020 and 2019, respectively (see Note 14).

10. Other Current Assets

	2021	2020
Advances to contractors and suppliers	₱1,555,363,590	₱1,465,160,781
Cost to obtain a contract - current portion	1,168,965,160	1,183,706,136
Creditable withholding tax	385,053,159	71,028,233
Deposit in escrow fund (Note 31)	340,623,169	229,206,785
Prepaid expenses	93,182,214	89,715,634
Input VAT - net	4,506,418	4,191,907
Others	226,462,997	162,390,857
	₱3,774,156,707	₱3,205,400,333

Advances to contractors and suppliers

Advances to contractors and suppliers are advance payments in relation to the Group's project development (part of real estate inventories).

Cost to obtain a contract

The Group recognized as an asset the costs to obtain a contract with customer. These pertain to commissions paid to brokers and marketing agents on the sale of real estate units.

The balance below pertains to the cost to obtain contracts included in the other current and noncurrent assets:

	2021	2020
Balance at beginning of the year	₱3,135,321,251	₱3,421,818,201
Additions	489,944,000	617,382,042
Amortization	(1,133,398,362)	(903,878,992)
Balance at end of the year	2,491,866,889	3,135,321,251
Less noncurrent portion (Note 15)	1,322,901,729	1,951,615,115
	₱1,168,965,160	₱1,183,706,136

Amortization of capitalized commission and advance commissions which are expensed as incurred totaling to ₱1,148.03 million, ₱963.49 million and ₱833.41 million are presented under "Costs of real estate sales" account in the consolidated statements of income for the year ended December 31, 2021, 2020 and 2019, respectively.

Deposit in escrow fund

Deposit in escrow fund pertains to fund deposits for securing license to sell (LTS) of the Group's real estate projects.



Prepaid expenses

Prepaid expenses consist mainly of prepayments for taxes and insurance.

Creditable withholding tax

Creditable withholding tax is attributable to taxes withheld by third parties arising from the real estate sales and will be applied against future taxes payable. The amounts as of December 31, 2021 and 2020 represent the residual after application as credit against income tax payable.

Input VAT

Input VAT represents taxes imposed to the Group by its suppliers and contractors for the acquisition of goods and services required under Philippine taxation laws and regulations. Input VAT is applied against output VAT.

Others

Others include advances made by the Group in relation to the socialized housing project with DMC Urban Property Developers, Inc (see Note 27). This also includes various types of advances and other charges which will be recovered within one (1) year.

11. Investments in Associates and Joint Venture

	2021						Total
	CSN	Subic Water	Acotec	CSPI	RDPVI	DMC EDVI	
Acquisition cost							
Balance at beginning and end of year	₱1,752,265	₱27,467,400	₱4,485,715	₱16,900,000	₱500,000,000	₱-	₱550,605,380
Additions	-	-	-	-	-	125,000,000	125,000,000
Balance at end of year	1,752,265	27,467,400	4,485,715	16,900,000	500,000,000	125,000,000	675,605,380
Accumulated equity in net earnings:							
Balance at beginning of year	-	367,408,381	-	(173,395)	(20,463,496)	-	346,771,490
Equity in net earnings (losses)	-	28,281,094	-	(665,194)	17,862,708	-	45,478,608
Dividends	-	(45,000,000)	-	-	-	-	(45,000,000)
Elimination of revenue	-	-	-	-	(22,988,463)	-	(22,988,463)
Balance at end of year	-	350,689,475	-	(838,589)	(25,589,251)	-	324,261,635
Subtotal	1,752,265	378,156,875	4,485,715	16,061,411	474,410,749	125,000,000	999,867,015
Allowance for impairment loss	(1,752,265)	-	(4,485,715)	-	-	-	(6,237,980)
	₱-	₱378,156,875	₱-	₱16,061,411	₱474,410,749	₱125,000,000	₱993,629,035
	2020						Total
	CSN	Subic Water	Acotec	CSPI	RDPVI	DMC EDVI	
Acquisition cost							
Balance at beginning and end of year	₱1,752,265	₱27,467,400	₱4,485,715	₱16,900,000	₱500,000,000	₱-	₱550,605,380
Accumulated equity in net earnings:							
Balance at beginning of year	-	366,937,781	-	597,019	(1,364,216)	-	366,170,584
Equity in net earnings (losses)	-	36,470,600	-	(770,414)	(3,845,762)	-	31,854,424
Dividends	-	(36,000,000)	-	-	-	-	(36,000,000)
Elimination of revenue	-	-	-	-	(15,253,518)	-	(15,253,518)
Balance at end of year	-	367,408,381	-	(173,395)	(20,463,496)	-	346,771,490
Subtotal	1,752,265	394,875,781	4,485,715	16,726,605	479,536,504	₱-	897,376,870
Allowance for impairment loss	(1,752,265)	-	(4,485,715)	-	-	-	(6,237,980)
	₱-	₱394,875,781	₱-	₱16,726,605	₱479,536,504	₱-	₱891,138,890



Details of the Group's acquisition of investments in associates and joint venture and the corresponding percentages of ownership are shown below:

	2021		2020	
	Percentages of Ownership	Acquisition Cost	Percentages of Ownership	Acquisition Cost
Associates:				
Subic Water and Sewerage Company (Subic Water)	30.00%	₱27,467,400	30.00%	₱27,467,400
CSPI	4.62%	16,900,000	4.62%	16,900,000
Contech Products South (Acotec)	33.00%	4,485,715	33.00%	4,485,715
CSN Properties, Inc. (CSN)	45.00%	1,752,265	45.00%	1,752,265
		50,605,380		50,605,380
<i>(Forward)</i>				
Joint venture:				
RLC DMCI Property Ventures, Inc. (RDPVI)	50.00%	₱500,000,000	50.00%	₱500,000,000
DMC Estate Development Ventures Inc (DMC EDVI)	50.00%	125,000,000		–
		625,000,000		500,000,000
Total investment		675,605,380		550,605,380
Less allowance for impairment losses		(6,237,980)		(6,237,980)
		₱669,367,400		₱544,367,400

CSPI

In 2015, the Group made investments to CSPI amounting ₱13.40 million. In 2016, the Group disposed two (2) shares of CSPI with par value of ₱100,000 per share at ₱0.14 million and ₱0.12 million. The Parent Company acquired additional 37 shares of CSPI with par value of ₱100,000 per share at ₱3.70 million. These transactions resulted to increase of percentage of ownership in the associate to 4.62% in 2016 from 3.94% in 2015. No additional acquisition or disposal was made subsequent to 2016.

Subic Water

On January 22, 1997, the Group subscribed to 3,662,320 shares for an aggregate value of ₱36.62 million in Subic Water, a then joint venture company with Subic Bay Metropolitan Authority (a government-owned corporation), Olongapo City Water District and Cascal Services Limited (a company organized under the laws of England). The agreement executed by the parties on November 24, 1996 stipulated, among others, that the Group shall have an equity participation equivalent to 40% in Subic Water amounting ₱74.80 million (based on the initial subscribed and paid-up capital of ₱187.00 million). The balance of the Group's committed subscription to Subic Water of ₱38.00 million (net of additional subscription payment of ₱4.00 million in 1998) is expected to be paid on or before the second anniversary of the date of effectivity. As of December 31, 2021 and 2020, such committed subscription has not yet been paid.

On April 1, 2016, the Group disposed its 915,580 shares of Subic Water with par value of ₱10.00 per share at ₱190.70 million, net of capital gains tax of ₱20.14 million, with a gain on sale of ₱181.28 million. This resulted to decrease in Parent Company's percentage of ownership in the associate to 30%. In 2021, 2020 and 2019, dividends received from Subic Water amounted to ₱45.00 million, ₱36.00 million and ₱25.50 million, respectively.

CSN and Acotec

In previous years, allowance for impairment losses was provided for the Group's investments in CSN and Acotec amounting ₱1.75 million and ₱4.49 million, respectively.



RDPVI

In October 2018, the Group and Robinsons Land Corporation (RLC) entered into a joint venture agreement to develop a condominium project. Each party will hold a 50% ownership interest in the joint venture.

In March 2019, RDPVI, the joint venture entity, was incorporated to purchase, acquire and develop into a residential condominium project a portion of the parcels of land situated in Las Piñas City and to operate, manage, sell and/or lease the resulting condominium units and parking spaces therein. The Group contributed ₱500.00 million for the capital of RDPVI.

DMC Estate Development Ventures Inc. (DMC EDVI)

In January 2021, the Group and DMC Urban Property Developers, Inc. (UPDI) entered into a joint venture agreement to purchase, acquire and develop parcels of land into condominium projects for residential and commercial uses. Each party will hold a 50% ownership interest in the joint venture.

In June 2021, DMC EDVI was incorporated to engage in the purchase, lease, development and sale of real estate properties for the proposed projects for this called “Fortis Property” and “Ziebart Property” both located at Chino Roces Ave., Makati City and “Delta Property” located at Quezon corner West Avenue, Quezon City. The Group contributed ₱125.00 million for the capital of DMC EDVI.

The following table summarizes the significant financial information on the Group’s investments in associates and joint venture that are material to the Group:

	December 31, 2021				
	Subic Water	CSPI	RDPVI	DMC EDVI	Total
Assets					
Current assets	₱492,719,271	₱93,964,644	₱2,899,480,538	₱250,000,000	₱3,736,164,453
Noncurrent assets	1,323,436,683	1,378,916,776	88,497,428	–	2,790,850,887
	₱1,816,155,954	1,472,881,420	₱2,987,977,966	₱250,000,000	₱6,527,015,340
Liabilities					
Current liabilities	₱200,566,388	₱44,930,526	₱340,010,589	₱–	₱585,507,503
Noncurrent liabilities	209,998,079	385,874,924	1,632,661,918	–	2,228,534,921
	₱410,564,467	₱430,805,450	₱1,972,672,507	₱–	₱2,814,042,424
Equity	₱1,405,591,487	₱1,042,075,970	₱1,015,305,459	₱250,000,000	₱3,712,972,916
Revenue	₱727,720,701	₱74,244,408	₱213,305,570	₱–	₱1,015,270,679
Net income (loss)	₱94,270,314	(₱14,398,128)	₱35,725,416	₱–	₱115,597,602

	December 31, 2020			
	Subic Water	CSPI	RDPVI	Total
Assets				
Current assets	₱441,871,791	₱80,021,256	₱2,264,265,549	₱2,786,158,596
Noncurrent assets	1,349,462,237	1,370,640,390	100,883,588	2,820,986,215
	₱1,791,334,028	₱1,450,661,646	₱2,365,149,137	₱5,607,144,811
Liabilities				
Current liabilities	₱211,897,623	44,592,082	₱317,250,653	₱573,740,358
Noncurrent liabilities	144,063,619	377,244,722	1,068,318,443	1,589,626,784
	₱355,961,242	₱421,836,804	₱1,385,569,096	₱2,163,367,142
Equity	₱1,435,372,786	₱1,028,824,842	₱979,580,041	₱3,443,777,669
Revenue	₱736,074,573	₱61,388,805	₱6,211,645	₱803,675,023
Net income (loss)	₱121,568,666	(₱16,675,616)	(₱7,691,524)	₱97,201,526



The reconciliation of the net assets to the carrying amounts of the interests in associates and joint venture are recognized in the consolidated financial statements as follows:

	2021				Total
	Subic Water	CSPI	RDPVI	DMC EDVI	
Net assets of associates and joint venture	₱1,405,591,487	₱1,042,075,970	₱1,015,305,459	₱250,000,000	₱3,712,972,916
Proportionate ownership in the associates and joint venture	30.00%	4.62%	50.00%	50.00%	
Share in net identifiable assets of common control	421,677,446	48,143,910	507,652,730	125,000,000	1,102,474,086
Notional goodwill and other adjustments	(43,520,571)	(32,082,499)	(33,241,981)	–	(108,845,051)
Carrying value of investments	₱378,156,875	₱16,061,411	₱474,410,749	₱125,000,000	₱993,629,035

	2020				Total
	Subic Water	CSPI	RDPVI		
Net assets of associates and joint venture	₱1,435,372,786	₱1,028,824,842	₱979,580,041		₱3,443,777,669
Proportionate ownership in the associates and joint venture	30.00%	4.62%	50.00%		
Share in net identifiable assets of common control	430,611,836	47,531,708	489,790,021		967,933,565
Notional goodwill and other adjustments	(35,736,055)	(30,805,103)	(10,253,517)		(76,794,674)
Carrying value of investments	₱394,875,781	₱16,726,605	₱479,536,504		₱891,138,890

12. Investment Properties

	2021	2020
Cost		
At January 1	₱215,084,207	₱209,584,207
Additions	253,802	5,500,000
At December 31	215,338,009	215,084,207
Accumulated Amortization		
At January 1	105,977,861	93,075,463
Amortization (Note 23)	13,695,302	12,902,398
At December 31	119,673,163	105,977,861
Net Book Value	₱95,664,846	₱109,106,346

Investment properties mostly consist of condominium units and office space held for rental. Rental income on investment properties amounted to ₱44.66 million, ₱51.12 million and ₱21.77 million for the years ended December 31, 2021, 2020 and 2019, respectively (see Notes 22 and 28).



The fair value of investment properties, which has been determined using discounted cash flow (DCF) model with discount rates ranging from 1.66% to 4.20% and 1.71% to 2.50% in 2021 and 2020, respectively, exceeds its carrying cost. This is categorized within Level 3 of the fair value hierarchy. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The aggregate fair value at the date of valuation amounted to ₱152.96 million and ₱145.25 million as of December 31, 2021 and 2020, respectively.

There are no investment properties as of December 31, 2021 and 2020 that are pledged as security to liabilities. The Group has no restrictions on the realizability of its investment properties and no contractual obligations to either purchase or construct or develop investment properties or for repairs, maintenance and enhancements.

13. Software Cost

	2021	2020
Cost		
At January 1	₱385,631,142	₱333,374,468
Additions	2,922,128	52,256,674
Reclassification	(17,152,783)	–
At December 31	371,400,487	385,631,142
Accumulated Amortization		
At January 1	319,070,796	276,332,395
Amortization (Note 23)	39,716,285	42,738,401
At December 31	358,787,081	319,070,796
Net Book Value	₱12,613,406	₱66,560,346

14. Property and Equipment

	2021					
	Land, building and building improvements	Office machines and equipment	Office furniture and fixtures	Transportation equipment	Construction machinery and equipment	Total
Cost						
Balance at beginning of year	₱984,182,202	₱341,048,026	₱119,837,317	₱265,671,892	₱3,029,958,134	₱4,740,697,571
Additions	10,785,939	19,992,476	143,567	3,319,749	140,135,694	174,377,425
Reclassification from real estate inventories (Note 9)	140,134,599	–	–	–	–	140,134,599
Balance at end of year	1,135,102,740	361,040,502	119,980,884	268,991,641	3,170,093,828	5,055,209,595
Accumulated Depreciation						
Balance at beginning of year	313,259,724	277,378,012	118,060,934	224,844,140	1,889,221,577	2,822,764,387
Depreciation (Notes 9 and 23)	30,279,776	35,683,876	1,183,076	21,532,100	391,918,003	480,596,831
Balance at end of year	343,539,500	313,061,888	119,244,010	246,376,240	2,281,139,580	3,303,361,218
Net Book Value	₱791,563,240	₱47,978,614	₱736,874	₱22,615,401	₱888,954,248	₱1,751,848,377



	2020					
	Land, building and building improvements	Office machines and equipment	Office furniture and fixtures	Transportation equipment	Construction machinery and equipment	Total
Cost						
Balance at beginning of year	₱618,954,484	₱299,174,000	₱118,732,584	₱255,101,020	₱2,632,284,883	₱3,924,246,971
Additions	2,659,875	41,874,026	1,104,733	10,570,872	397,673,251	453,882,757
Reclassification from undeveloped land (Note 9)	362,567,843	–	–	–	–	362,567,843
Balance at end of year	984,182,202	341,048,026	119,837,317	265,671,892	3,029,958,134	4,740,697,571
Accumulated Depreciation						
Balance at beginning of year	285,629,957	241,437,752	116,061,606	200,533,114	1,475,029,927	2,318,692,356
Depreciation (Notes 9 and 23)	27,629,767	35,940,260	1,999,328	24,311,026	414,191,650	504,072,031
Balance at end of year	313,259,724	277,378,012	118,060,934	224,844,140	1,889,221,577	2,822,764,387
Net Book Value	₱670,922,478	₱63,670,014	₱1,776,383	₱40,827,752	₱1,140,736,557	₱1,917,933,184

Depreciation expense included under general and administrative expenses amounted to ₱88.92 million, ₱90.07 million and ₱85.83 million for the years ended December 31, 2021, 2020 and 2019, respectively (see Note 23).

Depreciation expense attributable to direct costs for hotel and elevator and maintenance services rendered in 2021, 2020 and 2019 amounted to ₱0.83 million, ₱1.36 million and ₱1.40 million, respectively.

Depreciation expense attributable to direct costs for real estate sales amounted to ₱390.85 million, ₱412.64 million and ₱295.92 million in 2021, 2020 and 2019, respectively (see Note 9).

Due to change in use of the asset, the Group reclassified the undeveloped land from real estate inventories to property and equipment amounting to ₱140.13 million and ₱362.57 million in 2021 and 2020, respectively, to be used for batching plant operations that will supply ready mix concrete to the Group's residential projects

There are no property and equipment items that are pledged as security to liabilities as of December 31, 2021 and 2020.

15. Other Noncurrent Assets

	2021	2020
Cost to obtain a contract – net of current portion (Note 10)	₱1,322,901,729	₱1,951,615,115
Recoverable deposits (Note 31)	299,786,949	234,666,578
Contract retention (Note 27)	96,804,983	34,616,721
	₱1,719,493,661	₱2,220,898,414

Recoverable deposits pertain to bill and guaranty deposits for the installation of utilities to residential condominium units, and houses and lots to be covered upon transfer of title to buyers. Such deposits are necessary for the development of real estate projects of the Group.

Contract retention pertains to the part of contract which the Group retains as security and shall be released after the period as indicated in the contract for the rectification of defects and non-compliance from the specifications indicated.



16. Loans Payable

	2021	2020
Term loans and corporate notes	₱30,193,556,747	₱28,060,427,388
Liabilities on installment contracts receivable sold to banks with recourse (Note 7)	2,441,034,904	55,652,870
HomeSaver Bonds	-	198,793,240
	32,634,591,651	28,314,873,498
Less current portion of bank loans	5,710,180,522	2,832,347,920
	₱26,924,411,129	₱25,482,525,578

The current portion of bank loans consists of:

	2021	2020
Term loans and corporate notes	₱3,285,600,022	₱2,616,374,733
Liabilities on installment contracts receivable	2,424,580,500	17,179,947
HomeSaver Bonds	-	198,793,240
	₱5,710,180,522	₱2,832,347,920

Term Loans and Corporate Notes

Movement of the term loans and corporate notes follows:

	2021	2020
Balance as of January 1	₱28,215,000,000	₱25,566,666,667
Availments	4,800,000,000	10,900,000,000
Payments	(2,672,000,000)	(8,251,666,667)
	30,343,000,000	28,215,000,000
Less: unamortized debt issue cost	149,443,253	154,572,612
Balance as of December 31	30,193,556,747	28,060,427,388
Less: current portion	3,285,600,022	2,616,374,733
	₱26,907,956,725	₱25,444,052,655

Philippine Peso 7-year and 5-year Term Loans due in 2027 and 2025, respectively.

In 2020, the Group entered into two (2) term loan facilities with Bank of the Philippine Islands and BDO Unibank, Inc totaling to ₱8,200.00 million, of which ₱5,200.00 million was drawn during the year. The proceeds from the loan shall be used to fund the capital expenditures such as acquisition of land and other general corporate expenditures in relation to the construction of ongoing projects.

Term Loan	Quarter from Issue Date	Total
1st Term Loan	8th to 28th Quarter Final	10.00% (.50% per quarter)
	Maturity	90.00%
2nd Term Loan	1st to 20th Quarter Final	19% (1.00% per quarter)
	Maturity	81%

1st Term Loan

On April 6, 2020, July 29, 2020 and December 17, 2020, the first, second and third drawdown totaling to ₱2,850.00 million out of the ₱5,000.00 million loan facility was released. As of December 31, 2021 and 2020, the carrying value of the first term loan amounted to ₱2,833.19 million and ₱2,830.18 million, respectively.



The initial drawdown is subject to a floating interest rate option equivalent to (i) 3-month Php BVAL reference rate plus a spread of 75 basis points per annum, or (ii) Term Deposit Facility Rate, prevailing on the relevant interest setting date, whichever is higher. The subsequent borrowings are subject to a fixed interest rate equivalent to the 5-year BVAL reference rate yield plus a spread of 60 basis points per annum or a floor rate of 4.75% per annum, whichever is higher.

2nd Term Loan

On July 29 and December 17, 2020, the first and second drawdown totaling to ₱2,350.00 million out of the ₱3,200.00 million loan facility was released. As of December 31, 2021 and 2020, the carrying value of the second term loan amounted to ₱2,223.22 million and ₱2,313.66 million, respectively.

On January 28, 2021, the third drawdown amounting to ₱850.00 million out of the ₱3,200.00 million loan facility was released. As of December 31, 2021, the carrying value of drawdown made during the current year amounted to ₱819.31 million.

The second term loan shall bear interest of 4.74% payable quarterly from the date of drawdown.

Philippine Peso 7.5-Year Term Loans due in 2026

In 2019, the Group entered into three (3) term loan facilities with local banks totaling to ₱19,000.00 million, of which ₱1,300.00 million, ₱5,700.00 million and ₱9,000.00 million were availed in 2021, 2020 and 2019, respectively. The proceeds from the loan shall be used to fund the capital expenditures such as acquisition of land and other general corporate expenditures in relation to the construction of ongoing projects.

Term Loan	Quarter from Issue Date	Total
1st Term Loan	10th to 29th Quarter	10.00% (.50% per quarter)
	Final Maturity	90.00%
2nd Term Loan	10th to 29th Quarter	10.00% (.50% per quarter)
	Final Maturity	90.00%
3rd Term Loan	11th to 29th Quarter	9.50% (.50% per quarter)
	Final Maturity	90.50%

1st Term Loan

The first term loans with aggregate principal of ₱5,000.00 million were issued on March 22, 2019 and June 10, 2019, with principal amount of ₱2,500.00 million each. As of December 31, 2021 and 2020, the carrying value of the first term loan amounted to ₱4,888.35 million and ₱4,970.37 million, respectively.

2nd Term Loan

On September 4, 2019, the first drawdown amounting to ₱3,000.00 million out of the ₱9,000.00 million loan facility was released. As of December 31, 2021 and 2020, the carrying value of the first drawdown of the second term loan amounted to ₱2,954.42 million and ₱2,981.35 million, respectively.

On January 20, 2020, the second drawdown amounting to ₱3,000.00 million out of the ₱9,000.00 million loan facility was released. As of December 31, 2021 and 2020, the carrying value of the second drawdown of the second term loan amounted to ₱2,983.24 million and ₱2,980.22 million, respectively.



The second term loan shall bear interest of 5.00% to 5.12% payable quarterly from the date of drawdown.

3rd Term Loan

On September 17, 2019, the first drawdown amounting to ₱1,000.00 million out of the ₱5,000.00 million loan facility was released. As of December 31, 2021 and 2020, the carrying value of the first drawdown of the third term loan amounted to ₱989.76 million and ₱993.74 million, respectively.

In 2020, the third term loans with aggregate principal of ₱2,700.00 million were issued on April 6, 2020, July 29, 2020 and December 17, 2020, with principal amount of 1,500.00 million, ₱1,000.00 million and ₱200.00 million, respectively. As of December 31, 2021 and 2020, the carrying value of the third term loan amounted to ₱2,683.86 million and ₱2,681.20 million, respectively.

In 2021, the third term loans with aggregate principal of ₱1,300.00 million were issued on January 28, 2021 and August 9, 2021, with principal amount of ₱800.00 million and ₱500.00 million, respectively. As of December 31, 2021, the carrying value of the third term loan amounted to ₱1,291.19 million.

The interest rate of the third term loan of 4.50% to 5.19% is fixed for five (5) years and payable every quarter from date of drawdown. The interest is subject to repricing after five (5) years for the remaining two (2) years of the loan term.

Philippine Peso 5-Year and 7-Year Corporate Notes due in 2020 to 2024

In December 2015, the Group signed a corporate notes facility agreement on the issuance of Peso-denominated notes in the aggregate principal amount of ₱10,000.00 million with local banks. Proceeds of the note facility were used to fund its acquisition of real estate properties, fund its project development costs, refinance its existing indebtedness and fund other general corporate expenditures.

The notes will be issued in six (6) tranches and payments shall be made in each tranche as follows:

Series	Quarter from Issue Date	Payment for Each Quarter;	
		Computed Based on Aggregate % of Issue Amount of each Series	Total
Series F	4 th to 19 th Quarter	0.5%	(8% + 92%)
	Final Maturity	92.0%	100%
Series H	4 th to 19 th Quarter	0.5%	(8% + 92%)
	Final Maturity	92.0%	100%
Series J	4 th to 19 th Quarter	0.5%	(8% + 92%)
	Final Maturity	92.0%	100%
Series G	4 th to 27 th Quarter	0.5%	(12% + 88%)
	Final Maturity	88.0%	100%
Series I	4 th to 27 th Quarter	0.5%	(12% + 88%)
	Final Maturity	88.0%	100%
Series K	4 th to 27 th Quarter	0.5%	(12% + 88%)
	Final Maturity	88.0%	100%

Tranches 1 (Series F) and 2 (Series G) of the ₱10,000.00 million were issued on December 18, 2015 with principal amount of ₱1,000.00 million each. Tranches 3 (Series H) and 4 (Series I) were issued in January 2016 with principal amount of ₱2,500.00 million each. Tranches 5 (Series J) and 6 (Series K) were issued in February 2017 with principal amount of ₱1,500.00 million each.



In February 2017, Tranches 5 (Series J) and 6 (Series K) were issued in the aggregate principal amount of ₱1,500.00 million each.

In January 2016, Tranches 3 (Series H) and 4 (Series I) were issued in the aggregate principal amount of ₱2,500.00 million each. In December 2015, Tranches 1 (Series F) and 2 (Series G) of the ₱10,000.00 million were issued in the aggregate principal amount of ₱1,000.00 million each.

The carrying amount of the notes are as follows:

Series	2021	2020
Series D	₱-	₱-
Series E	-	-
Series F	-	-
Series G	893,501,629	911,996,287
Series H	-	2,299,584,603
Series I	2,245,748,714	2,291,960,031
Series J	1,379,350,322	1,405,312,808
Series K	1,373,643,601	1,400,849,719
	₱5,892,244,266	₱8,309,703,448

The note is issued in registered form in the minimum denominations of ₱75.00 million and multiples of ₱25.00 million each. The interest rate shall be the PDST-R2 rate for five (5)-year (Tranche 1) and seven (7)-year treasury securities on banking day immediately preceding an Issue Date plus the Margin (150 basis points) for each of the Tranche, gross any applicable withholding taxes. Interest is payable quarterly.

Philippine Peso 7-year Corporate Notes due in 2020

In October 2012, the Group signed corporate notes facility agreement on the issuance of 7-year peso-denominated notes in the aggregate amount of ₱10,000.00 million with local banks. Proceeds of the notes facility were used to fund land acquisition, general operations and project development and construction.

The notes will be issued in three (3) tranches and payments shall be made in each tranche as follows:

Quarter from Issue Date	Based on aggregate % of issue amount of each Series (Equally divided over the applicable quarters)
7 th to 10 th Quarter	2%
11 th to 14 th Quarter	4%
15 th to 18 th Quarter	5%
19 th to 27 th Quarter	12%
Final Maturity	77%
Total	100%

Tranche 1 of the ₱10,000.00 million Series C was issued on October 31, 2012 in the aggregate amount principal amount of ₱1,000.00 million. The tranche was settled in full on October 31, 2019.

Tranche 2 (Series D) and 3 (Series E) were issued on April 10, 2013 and July 30, 2013 in the aggregate principal amount of ₱4,000.00 million and ₱5,000.00 million, respectively. The outstanding balance of Tranche 2 (Series D) and 3 (Series E) was settled in full on April 2020 and July 2020, respectively.



The note is issued in registered form in the minimum denominations of ₱100.00 million and multiples of ₱10.00 million each. The interest rate shall be the PDST-F rate for seven-year treasury securities on banking day immediately preceding an Issue Date plus the Margin (125 basis points) for each of the Tranche, gross any applicable withholding taxes. Interest is payable quarterly.

Debt Issue Costs

The rollforward analysis of unamortized debt issuance cost follows:

	2021	2020	2019
Balance as of January 1	₱154,572,612	₱109,953,199	₱77,658,119
Availments	35,949,030	81,750,000	67,500,000
Amortization of debt issue cost (Note 25)	(41,078,389)	(37,130,587)	(35,204,920)
Balance as of December 31	₱149,443,253	₱154,572,612	₱109,953,199

Interest

In 2021, 2020 and 2019, interest expense incurred amounted to ₱1,481.83 million, ₱1,442.20 million and ₱1,274.86 million, respectively, of which capitalized interest amounted to ₱1,407.90 million, ₱1,436.51 million, and ₱1,186.17 million, respectively (see Notes 9 and 25). The average capitalization rates used are 4.60%, 5.01%, and 5.59% of the average expenditures in 2021, 2020 and 2019, respectively.

Liabilities on Installment Contracts Receivable

Movement of the liabilities on installment contracts receivable notes follows:

	2021	2020
Balance as of January 1	₱55,652,870	₱118,910,294
Availments	5,189,040,590	-
Payments	(2,803,658,556)	(63,257,424)
Balance as of December 31	2,441,034,904	55,652,870
Less current portion	2,424,580,500	17,179,947
	₱16,454,404	₱38,472,923

As discussed in Note 7, the installment contracts receivable under the receivable purchase agreements are used as collaterals for the related loans availed. These amounted to ₱2,441.03 million and ₱55.65 million as of December 31, 2021 and 2020, respectively, and these represent net proceeds from sale of portion of Group's installment contracts receivable to local banks pursuant to the receivable purchase agreements entered into by Group on various dates. The agreements also provide the submission of condominium certificates of title and their related postdated checks issued by the buyers. These loans bear interest at prevailing market rates and are payable in equal and continuous monthly payment not exceeding 120 days commencing one (1) month from date of execution. The average effective annual interest rate ranges from 3.55% to 6.00%, 4.00% to 6.19% and 4.00% to 6.63% in 2021, 2020 and 2019, respectively.



HomeSaver Bonds

Movement of the HomeSaver Bonds follows:

	2021	2020
Balance as of January 1	₱198,793,240	₱210,505,000
Issuance	-	31,560,000
Payments	(198,793,240)	(43,271,760)
Balance as of December 31	-	198,793,240
Less current portion	-	198,793,240
	₱-	₱-

Philippine Peso 3-Year and 5-Year Bonds due in 2019 and 2021

On March 21, 2016, the Group offered and issued the second bonds of up to ₱500.00 million to the public through four (4) investment options, namely, Tranche D, Tranche E, Tranche F, and Tranche G.

Tranche D was issued in equal monthly installments with no maximum subscription, but priority will be given to aggregate subscriptions amounting to ₱3.60 million and less over a period of 36 months, beginning on the Initial Issue Date at a fixed interest rate of 4.75% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche D has been fully paid.

Tranche E was issued in equal monthly installments with no maximum subscription, but priority will be given to aggregate subscriptions amounting to ₱6.00 million and less over a period of 60 months, beginning on the Initial Issue Date at a fixed interest rate of 5.25% per annum and shall mature five (5) years from the Initial Issue Date. As of December 31, 2020, outstanding balance of Tranche E bonds amounted to ₱66.36 million (nil in 2021).

Tranche F was issued one-time with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱7.00 million and less on the Initial Issue Date as a single upfront investment and payable in lump sum on the Initial Issue Date at a fixed interest rate of 4.75% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche F has been fully paid.

Tranche G was issued one-time with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱7.00 million and less on the Initial Issue Date as a single upfront investment and payable in lump sum on the Initial Issue Date at a fixed interest rate of 5.25% per annum and shall mature five (5) years from the Initial Issue Date. As of December 31, 2020, outstanding balance of Tranche G bonds amounted to ₱130.17 million (nil in 2021).

Philippine Peso 3-year and 5-year Bonds due in 2019 and 2021

On November 16, 2015, the Group offered and issued to the public deferred coupon-paying HomeSaver Bonds (the Bonds) in an aggregate principal amount of ₱1,000.00 million with an initial offering of ₱500.00 million for working capital and other general corporate purposes, such as marketing and administrative expenses. The Bonds will be offered through three investment options, namely: Tranche A, Tranche B and Tranche C.

Tranche A was issued in equal monthly installments with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱3.60 million and less over a period of 36 months, beginning November 16, 2015 (the Initial Issue Date) at a fixed interest rate of 4.5% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche A has been fully paid.



Tranche B was issued in equal monthly installments with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱6.00 million and less over a period of 60 months, beginning on the Initial Issue Date at a fixed interest rate of 5.00% per annum and shall mature five (5) years from the Initial Issue Date. As of December 31, 2020, outstanding balance of Tranche B bonds amounted to ₱2.26 million (nil in 2021).

Tranche C was issued one-time with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱7.00 million and less on the Initial Issue Date as a single upfront investment and payable in lump sum on the Initial Issue Date at a fixed interest rate of 4.50% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche C has been fully paid.

Covenants for term loans, corporate notes and HomeSaver bonds

The term loans, corporate notes facility agreement and HomeSaver bonds require the Group to ensure that debt-to-equity ratio will not exceed 3.2 times and current ratio is at least 1.75 times. As of December 31, 2021 and 2020, the Group is fully compliant to these requirements (see Note 20).

As of December 31, 2021 and 2020, all term loans, corporate notes and HomeSaver bonds recognized are unsecured.

17. Liabilities for Purchased Land

Liabilities for purchase of land represent the balance of the Group's obligations to various real estate property sellers for the acquisition of various parcels of land and residential condominium units. The terms of the deeds of absolute sale covering the land acquisitions provided that such obligations are payable only after the following conditions, among others, have been complied with: (a) presentation by the property sellers of the original transfer certificates of title covering the purchased parcels of land; (b) submission of certificates of non-delinquency on real estate taxes; and (c) physical turnover of the acquired parcels of land to the Group.

The outstanding balance of liabilities for purchased land as of December 31, 2021 and 2020 are shown below:

	2021	2020
Current	₱601,817,432	₱849,023,520
Noncurrent	969,552,190	1,170,581,536
Balance at end of the year	₱1,571,369,622	₱2,019,605,056

Liabilities for purchased land were recorded at fair value at initial recognition. These liabilities for purchased land are payable over a period of two (2) to four (4) years. The fair value is derived using discounted cash flow model using the discount rate ranging from 1.67% to 4.43% and 1.71% to 2.66% in 2021 and 2020, respectively, based on applicable rates for similar types of liabilities.



18. Accounts and Other Payables

	2021	2020
Accounts payable - trade	₱2,526,396,820	₱2,558,648,539
Commission payable	2,192,894,857	2,553,752,136
Accrued expenses	438,172,036	736,061,454
Dividends payable (Notes 20 and 27)	800,000,000	713,573,000
Retention payable	848,354,317	678,253,452
Accrued interest payable (Notes 16 and 33)	195,980,079	375,356,339
Refundable deposits	292,228,612	322,413,218
Others	106,559,982	68,066,275
	7,400,586,703	8,006,124,413
Less noncurrent portion of commission payable	1,079,558,646	1,172,543,428
	₱6,321,028,057	₱6,833,580,985

Commission payable pertains to the unpaid amount of the Group's payout to real estate sales agents for each contract that they obtain for the sale of real estate units. These are settled based on the collection from the contract with customers with various terms up to a maximum of 10 years. The noncurrent portion of commission payable is presented under "Other noncurrent liability" account in the consolidated statements of financial position.

Accounts payable - trade are mostly composed of payable to suppliers of materials, marketing supplies and services and brokers. It includes payable to contractors that pertains to unpaid progress billings for the construction and development of real estate projects and residential units. These are noninterest-bearing and are normally settled within one (1) year.

Accrued expenses pertain to VAT payable, SSS, Pag-IBIG, Philhealth, withholding tax payables and other expenses and are expected to be settled within one (1) year.

Dividends payable pertains to unpaid cash dividends to shareholders expected to be settled within one (1) year.

Retention payable consists of amounts withheld from every progress billing per subcontract agreement and is expected to be settled within one (1) year. The retention serves as a security from the contractor should there be defects in the project.

Refundable deposits consist of deposits which are refundable due to cancellation of real estate sales as well as deposits made by unit owners upon turnover of the unit which will be remitted to its utility provider.

Others include refundable amount for security deposits, construction bond of tenants and deferred charges. Security deposits are settled upon the end of the lease term. Construction bonds are settled upon the end of the construction of the unit. These are normally settled within one (1) year. Deferred charges pertain to deferred rentals and other deferrals which are chargeable within one (1) year amounting to ₱5.86 million and ₱4.00 million as of December 31, 2021 and 2020, respectively.



19. Customers' Advances and Deposits and Contract Liabilities

	2021	2020
Contract liabilities		
Current	₱3,549,504,260	₱4,380,478,887
Noncurrent	1,261,595,621	1,900,164,170
	4,811,099,881	6,280,643,057
Customers' advances and deposits	4,356,686,876	4,085,451,230
	₱9,167,786,757	₱10,366,094,287

Contract Liabilities

The Group requires buyers of the residential condominium units and houses and lots to pay a minimum percentage of the total selling price and the project should be beyond the preliminary stage before the Group recognize a sale transaction. Contract liabilities represent the payments of buyers which do not qualify yet for revenue recognition as real estate sales and any excess of collections over the recognized revenue on sale of real estate inventories. The movement in contract liabilities is mainly due to sales reservation and advance payment of buyers and this is reduced by increase in percentage of completion of projects and real estate sales recognized upon reaching the buyer's equity threshold.

The current portion of contract liabilities also includes billings in excess of cost and estimated earnings on uncompleted contracts amounting to ₱152.38 million which represents billings in excess of total costs incurred and estimated earnings recognized as of December 31, 2021. This also includes downpayment made by RDPVI during 2020 amounting to ₱601.67 million which is equivalent to the value of land and 15% of the contract amount less the first downpayment which is paid upon issuance of building permit (see Note 27).

The amount of revenue recognized from amounts included in contract liabilities at the beginning of the year amounted to ₱3,293.05 million, ₱3,320.19 million and ₱2,851.54 million in 2021, 2020 and 2019, respectively.

Customers' Advances and Deposits

Other customers' advances and deposits represent collections from real estate buyers for taxes and fees payable such as documentary stamp tax and transfer tax for the transfer of title to the buyer.

20. Equity

Capital Stock

Details of the Parent Company's capital stocks as of December 31, 2021 and 2020 follow:

Common stock - ₱1 par value	
Authorized - 5,000,000,000 shares	₱5,000,000,000
Issued and outstanding - 3,487,727,331 shares	3,487,727,331
Additional paid-in capital	15,260,664



Retained Earnings

Movements in and outstanding appropriations of the Group for project development are as follows:

	2021	2020	2019
Balance as of the beginning of the year	₱15,977,900,000	₱13,719,000,000	₱10,396,000,000
Additional appropriations (a)	–	13,500,000,000	4,500,000,000
Release from appropriations (a)	–	(11,241,100,000)	(1,177,000,000)
	₱15,977,900,000	₱15,977,900,000	₱13,719,000,000

a) *Appropriation*

On December 2, 2020, the BOD approved the following resolutions:

- Reversal of appropriation amounting ₱7,740.00 million from previously appropriated retained earnings as of December 31, 2019 which was already utilized for the development of the following projects:

Project	Amount
Mulberry Place	₱897,200,000
Prisma Residences	1,345,900,000
Brixton Place	741,800,000
Oak Harbor Residences	503,400,000
Infina Towers	736,600,000
The Celandine	608,600,000
Kai Garden Residences	726,100,000
The Orabella	389,200,000
The Atherton	354,200,000
Verdon Parc 2	343,700,000
Fairlane Residences	326,100,000
Calathea Place	400,000,000
Satori Residences	367,200,000
	₱7,740,000,000

- Appropriation of ₱8,300.00 million from retained earnings as of December 31, 2019 to fund the development and project cost of the following projects:

Project	Amount
Prisma Residences	₱1,300,000,000
Infina Towers	200,000,000
Kai Garden Residences	620,000,000
The Orabella	50,000,000
The Atherton	350,000,000
Verdon Parc 2	800,000,000
Fairlane Residences	500,000,000
Satori Residences	820,000,000
Aston Residences	940,000,000
Cameron Residences	230,000,000
The Crestmont	400,000,000
Allegra Garden Place	930,000,000
Sonora Garden Residences	860,000,000
Alder Residences	300,000,000
	₱8,300,000,000



On January 31, 2020, the BOD approved and resolved the following resolutions:

- Reversal of appropriation amounting to ₱3,501.10 million from previously appropriated retained earnings as of December 31, 2018 which was already utilized in 2019 for the related projects below:

Project	Amount
Mulberry Place	₱392,500,000
Prisma Residences	684,000,000
Brixton Place	626,000,000
Oak Harbor Residences	636,200,000
Infina Towers	765,000,000
The Celandine	397,400,000
	₱3,501,100,000

- Appropriation of ₱5,200.00 million from retained earnings as of December 31, 2019 to fund the development and project cost of the following projects:

Project	Appropriation
Kai Garden Residences	₱1,500,000,000
The Orabella	1,000,000,000
The Atherton	800,000,000
Verdon Parc	600,000,000
Fairlane Residences	500,000,000
Calathea Place	400,000,000
Satori Residences	400,000,000
	₱5,200,000,000

On January 28, 2019, the BOD approved the following resolutions:

- Reversal of appropriation amounting to ₱1,177.00 million from previously appropriated retained earnings as of December 31, 2017 which was already utilized for the following projects:

Project	Appropriation
Mulberry Place	₱200,300,000
Prisma Residences	127,000,000
Brixton Place	551,700,000
Oak Harbor Residences	298,000,000
	₱1,177,000,000

- Appropriation of ₱4,500.00 million from retained earnings as of December 31, 2018 to fund the development and project cost of the following projects:

Project	Appropriation
Infina Towers	₱2,500,000,000
The Celandine	2,000,000,000
	₱4,500,000,000



b) *Declaration of Dividends*

On September 30, 2021, the BOD approved and resolved the resolution for declaration of additional cash dividends in the amount of ₱800.00 million from the unrestricted retained earnings as of June 30, 2021 in favor of the current stockholders of record and payable on or before December 31, 2022.

On June 25, 2021, the BOD approved and resolved the resolution for the declaration of additional cash dividends in the amount of ₱9.00 million from the unrestricted retained earnings as of December 31, 2020 in favor of the current stockholders of record and payable in accordance with the scheduled payment. As of December 31, 2021, the dividends declared have been paid.

On June 15, 2021, the BOD approved and resolved the resolution for the declaration of additional cash dividends in the amount of ₱36.00 million from the unrestricted retained earnings as of December 31, 2020 in favor of the current stockholders of record and payable in accordance with the scheduled payment. As of December 31, 2021, the dividends declared have been paid.

On February 5, 2021, the BOD approved and resolved the resolution for the declaration of additional cash dividends in the amount of ₱400.00 million from the unrestricted retained earnings as of December 31, 2020 in favor of the current stockholders of record and payable in accordance with the scheduled payment. As of December 31, 2021, the dividends declared have been paid.

On December 2, 2020, the BOD approved the additional declaration of cash dividends amounting to ₱11.29 million from the unrestricted retained earnings as of December 31, 2019 in favor of the current stockholders of record. As of December 31, 2020, the dividends declared have been paid.

On September 22, 2020, the BOD approved the additional declaration of cash dividends amounting to ₱18.00 million from the unrestricted retained earnings as of December 31, 2019 in favor of the current stockholders of record. As of December 31, 2020, the dividends declared have been paid.

On July 6, 2020, the BOD approved the additional declaration of cash dividends amounting to ₱18.00 million from the unrestricted retained earnings as of December 31, 2019 in favor of the current stockholders of record. As of December 31, 2020, the dividends declared have been paid.

On January 31, 2020, the BOD approved the declaration of cash dividends amounting ₱1,200.00 million to stockholders of record as of December 31, 2019. As of December 31, 2021, the dividends declared have been paid.

On November 25, 2019, the BOD approved the additional declaration of cash dividends amounting to ₱25.50 million to stockholders of record as of December 31, 2018. As of December 31, 2019, the dividends declared have been paid.

On September 20, 2019, the BOD approved the additional declaration of cash dividends amounting to ₱24.61 million to stockholders of record as of December 31, 2018. As of December 31, 2019, the dividends declared have been paid.

On January 28, 2019, the BOD approved the additional declaration of cash dividends amounting to ₱1,200.00 million to stockholders of record as of December 31, 2018. As of December 31, 2019, the dividends declared have been paid.



On January 10, 2019, the BOD approved the declaration of cash dividends amounting to ₱25.50 million to stockholders of record as of December 31, 2018. As of December 31, 2019, the dividends declared have been paid.

In 2020 and 2019, ZMSSI, a subsidiary of the Group, declared dividends amounting to ₱34.00 million and ₱16.00 million, respectively, of which dividends to noncontrolling interest amounted to ₱13.57 million and ₱7.84 million, respectively. The unpaid dividends as of December 31, 2020 amounted to ₱13.57 million (nil as of December 31, 2021; see Notes 18 and 33).

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The management considers capital stock, additional paid-in capital and retained earnings as core capital of the Group.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return of capital to shareholders or issue new shares.

As of December 31, 2021, 2020 and 2019, the Group had the following rates:

	2021	2020	2019
Current Ratio	3.17:1	3.34:1	2.83:1
Debt to Equity Ratio	2.01:1	2.28:1	2.08:1
Asset to Equity Ratio	3.01:1	3.28:1	3.08:1

As at December 31, 2021, 2020 and 2019, the Group is not subject to externally imposed capital requirements other than the monitoring of the Group's debt to equity ratio and current ratio as part of its long-term debt requirements (see Note 16).

21. Finance Income

	2021	2020	2019
Installment contracts receivable (Note 7)	₱320,434,026	₱313,001,354	₱277,658,703
Bank deposits and cash equivalents (Note 6)	20,784,683	49,689,772	186,107,294
	₱341,218,709	₱362,691,126	₱463,765,997

22. Other Income

	2021	2020	2019
Income from cancellation of real estate sales and other fees	₱731,518,143	₱524,904,246	₱899,398,674
Rental income (Notes 12, 22, 27 and 28)	241,520,444	73,694,829	37,488,153
Penalty and other charges	67,653,687	64,212,160	116,221,882
Gain on sale of undeveloped land (Note 9)	12,431,642	6,406,705	-
Management fees (Note 27)	4,308,352	5,695,246	497,378
Others (Note 27)	181,441,628	66,639,554	64,438,043
	₱1,238,873,896	₱741,552,740	₱1,118,044,130



Others include income from the sale of backfill, holding fees, restructuring fees, maintenance dues and utilities charged to tenants.

23. General and Administrative Expenses

	2021	2020	2019
Salaries, wages and employee benefits	₱764,704,458	₱655,387,652	₱632,633,249
Taxes and licenses	500,627,580	434,682,884	432,415,121
Repairs and maintenance	175,488,385	193,667,279	282,645,270
Outside services	168,911,109	186,880,475	169,558,759
Depreciation and amortization (Notes 12, 13 and 14)	142,327,708	145,712,706	143,113,570
Marketing	118,473,240	167,674,269	306,528,989
Communication, light and water	89,337,332	64,166,331	88,768,461
Association dues	87,747,697	42,803,205	52,708,077
Retirement expense (Note 24)	84,297,419	58,675,650	31,334,695
Entertainment, amusement and recreation	78,888,052	76,544,486	74,150,911
Professional fees	32,886,244	24,252,384	61,185,083
Supplies	29,682,188	27,432,033	45,728,955
Transportation and travel	28,369,045	29,381,004	45,998,403
Provision for and write-off of doubtful accounts (Note 7)	10,527,030	22,665,500	8,463,812
Management fees	-	1,423,575	1,423,575
Miscellaneous	101,413,034	40,293,864	50,988,976
	₱2,413,680,521	₱2,171,643,297	₱2,427,645,906

Miscellaneous include rental, insurance, supplies and other expenses.

24. Retirement Benefits

The Group has a funded, noncontributory, defined benefit pension plan covering substantially all of its regular employees. Benefits are dependent on years of service and the respective employee's final compensation. The benefits are paid in a lump sum upon retirement or separation in accordance with the terms of the plan. The Group updates the actuarial valuation every year by hiring the services of a third party professionally qualified actuary. The latest actuarial valuation reports of the retirement plans were made as of December 31, 2021.

The Group is a member of the DMCI Multiemployer Retirement Plan (the Plan) which is administered separately by the Board of Trustees (BOT). The responsibilities of the Retirement BOT, among others, include the following:

- To hold, invest and reinvest the fund for the exclusive benefits of the members and beneficiaries of the retirement plan and for this purpose the Retirement BOT is further authorized to designate and appoint a qualified Investment Manager with such powers as may be required to realize and obtain maximum yield on investment of the fund;
- To make payments and distributions in cash, securities and other assets to the members and beneficiaries of the Plan.



Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Based on the actuarial valuation as of December 31, 2021 and 2020, the Group's pension liability is computed using the project unit credit (PUC) method.

The following tables summarize the components of the pension expense recognized in the consolidated statements of comprehensive income and amounts recognized in the consolidated statements of financial position for the retirement plan.

The components of pension expense in consolidated statements of income follows:

	2021	2020	2019
Current service cost	₱73,805,839	₱53,012,856	₱38,908,805
Net interest on defined benefit obligation	10,491,580	5,662,794	(7,574,110)
Total pension expense (Note 23)	₱84,297,419	₱58,675,650	₱31,334,695

The funded status and amounts recognized in the consolidated statements of financial position for the retirement plan are as follows:

	2021	2020
Fair value of plan assets	₱462,105,052	₱404,254,623
Present value of defined benefit obligation	(612,718,264)	(652,854,720)
Net pension liabilities	(₱150,613,212)	(₱248,600,097)

The reconciliation of the fair value of plan assets follow:

	2021	2020
Balance at beginning of year	₱404,254,623	₱347,136,481
Interest income on plan assets	16,173,931	20,381,865
Contributions	10,000,000	64,023,513
Benefits paid	(26,098,237)	(9,087,074)
Actuarial gain (loss)	57,774,735	(18,200,162)
Balance at end of year	₱462,105,052	₱404,254,623

Changes in the present value of the defined benefit obligation follow:

	2021	2020
Balance at beginning of year	₱652,854,720	₱478,534,324
Current service cost	73,805,839	53,012,856
Interest cost	26,665,511	26,044,659
Benefits paid	(26,098,237)	(9,087,074)
Actuarial loss (gain)		
Experience adjustment	(16,735,725)	(3,526,796)
Change in financial assumptions	(95,456,349)	107,876,751
Changes in demographic assumptions	(2,317,495)	-
Balance at end of year	₱612,718,264	₱652,854,720



Movements in the net pension liability are as follows:

	2021	2020
Balance at beginning of year	(P248,600,097)	(P131,397,843)
Net pension expense	(84,297,419)	(58,675,650)
Amount to be recognized in OCI	172,284,304	(122,550,117)
Contributions	10,000,000	64,023,513
Balance at end of year	(P150,613,212)	(P248,600,097)

Remeasurement losses recognized in OCI:

	2021	2020
Remeasurement losses (gains) on defined benefit obligations	(P114,509,569)	P104,349,955
Remeasurement gains (losses) on plan assets	(57,774,735)	18,200,162
Effect of asset ceiling	-	-
Total remeasurements recognized in OCI	(P172,284,304)	P122,550,117

Movement of cumulative remeasurement effect recognized in OCI:

	2021	2020
Balance at beginning of year	P33,756,252	P156,306,369
Additional actuarial gain (loss):		
From plan obligation	114,509,569	(104,349,955)
From plan asset	57,774,735	(18,200,162)
Effect of asset ceiling	-	-
Balance at end of year	P206,040,556	P33,756,252

As of December 31, 2021 and 2020, the major categories of the Group's plan assets as percentage of the fair value of total plan assets follow:

	2021		2020	
	Amount	%	Amount	%
Investments in equity	P219,037,794	47.40	P175,850,761	43.50
Debt instruments –				
government bonds	178,095,287	38.54	195,376,259	48.33
Debt instruments - other	2,218,104	0.48	3,031,910	0.75
Cash and cash equivalents	58,456,289	12.65	26,802,081	6.63
Other assets	4,297,577	0.93	3,193,612	0.79
	P462,105,052	100.00	P404,254,623	100.00

The carrying amounts disclosed above reasonably approximate fair values at year-end.

The composition of the fair value of the fund includes:

- *Investment in equity* - includes investment in common and preferred shares both traded and not traded in the Philippine Stock Exchange (PSE).
- *Debt instruments* - include investment in long-term debt notes and retail bonds.
- *Cash and cash equivalents* - include savings and time deposit with banks and special deposit account with Bangko Sentral ng Pilipinas (BSP SDA).
- *Other assets* - includes interest and dividends receivable generated from investments included in the plan.



The assumptions used to determine pension benefits of the Group follow:

	2021	2020	2019
Discount rates	5.19%	4.11%	5.46%
Salary rate increase	6.00%	6.00%	6.00%

Each year, an Asset-Liability Matching Study (ALM) is performed with the result being analyzed in terms of risk-and-return profiles. It is the policy of the Trustee that immediate and near-term retirement liabilities of the Group's Retirement Fund are adequately covered by its assets. As such, due considerations are given that portfolio maturities are matched in accordance with due benefit payments. The Retirement Fund's expected benefits payments are determined through the latest actuarial reports.

Sensitivity analysis on the actuarial assumptions

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the Defined Benefit Obligation (DBO) at the reporting date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

The sensitivity analysis that follows has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of the end of reporting period, assuming all other assumptions were held constant.

		2021	2020
	Increase (decrease)	Effect on defined benefit obligation	
Discount rates	+100 basis points	(₱72,597,877)	(₱82,001,417)
	-100 basis points	86,930,363	99,258,076
Salary rate increases	+100 basis points	₱85,309,937	₱96,292,119
	-100 basis points	(72,707,949)	(81,351,707)

The BOT of the Plan ensures that its assets are available to fulfill its obligation of paying retirement as it falls due. This is done by ensuring that its assets are easily disposable and can easily be converted to cash.

Furthermore, the Group is not required to contribute to the fund under the Retirement Plan before they become due. For this reason, the amount and timing of contributions to the Plan are at the Group's discretion. However, in the event a benefit claim arises and the Plan is insufficient to pay the claim, the shortfall will then be due and payable from the Group to the Plan.



Shown below is the maturity analysis of the undiscounted benefit payments:

Maturity	2021	2020
Less than 1 year	₱99,248,229	₱113,641,581
More than 1 year but less than 5 years	54,605,974	28,293,196
5 years and more	146,754,410	129,306,410

The average duration of the defined benefit obligation is 14.75 years and 15.35 years in 2021 and 2020, respectively.

The Group expects to contribute to the fund in 2022 based on the funding valuation from retirement plan.

25. Finance Costs

The finance costs are incurred from the following:

	2021	2020	2019
Long-term bank loans (Note 16)	₱73,928,201	₱5,690,279	₱88,691,474
Accretion on unamortized discount on liabilities on purchased land and unamortized bank loans transaction cost (Notes 16 and 17)	41,078,389	37,130,587	35,204,920
Bank and other charges	2,755,695	3,573,157	8,707,351
	₱117,762,285	₱46,394,023	₱132,603,745

26. Income Taxes

The provision for income tax shown in profit or loss consists of:

	2021	2020	2019
Current	₱631,292,896	₱687,797,269	₱1,129,110,708
Deferred	256,102,515	(40,181,922)	194,081,568
Final	4,126,445	9,886,456	41,570,382
	₱891,521,856	₱657,501,803	₱1,364,762,658

The current provision for income tax in 2021, 2020 and 2019 represents regular corporate income tax.

As of December 31, 2021 and 2020, DPMC recognized deferred income tax assets amounting to ₱3.52 million and ₱3.14 million, respectively, on pension liability. The components of net deferred tax liabilities follow:

	2021	2020
<i>Recognized in profit or loss</i>		
Deferred tax assets on:		
Net pension liability	₱104,101,282	₱94,794,929
Provision for doubtful accounts	17,850,583	21,420,700
Unrealized rental	1,466,104	1,200,177
	₱123,417,969	₱117,415,806

(Forward)



	2021	2020
Deferred tax liabilities on:		
Gross profit on installment real estate sales	(P3,306,185,703)	(P2,898,304,649)
Capitalized borrowing costs	(414,100,931)	(463,840,967)
Capitalized depreciation	(121,740,964)	(125,380,620)
Deferred commission	(74,743,008)	(174,470,735)
Unamortized transaction costs	(37,360,813)	(46,371,780)
	(3,954,131,419)	(3,708,368,751)
	(3,830,713,450)	(3,590,952,945)
<i>Recognized in other comprehensive income</i>		
Deferred tax liability on:		
Remeasurement gain on pension	(54,871,526)	(3,550,859)
Net deferred tax liabilities	(P3,885,584,976)	(P3,594,503,804)

The reconciliation of the provision for income tax computed at the statutory income tax rate to the provision for income tax shown in profit or loss follows:

	2021	2020	2019
Income tax at statutory income tax rate	25.00%	30.00%	30.00%
Adjustments for:			
Nondeductible expenses	0.31	0.89	0.38
Nondeductible interest expense	0.02	0.22	0.40
Movement in unrecognized deferred tax assets	(10.56)	0.74	0.06
Interest income subject to final tax	(0.02)	(0.23)	(0.42)
Equity in net earnings of associates	(0.75)	(0.12)	(0.39)
Others	0.66	0.35	0.57
Income tax rate	14.66%	31.85%	30.60%

As of December 31, 2021, 2020 and 2019, the Group has the following deductible temporary differences and NOLCO that are available for offset against future taxable income for which no deferred tax assets have been recognized as follows:

	2021	2020	2019
Provision for retirement	P30,196,344	P30,196,344	P30,196,344
Provision for impairment losses	43,708,281	33,181,250	10,515,751
NOLCO	44,926,367	42,713,322	1,498,958
Total	P118,830,992	P106,090,916	P42,211,053

Deferred tax assets are recognized only to the extent that taxable income will be against which the deferred tax assets can be used. The Group assesses the unrecognized deferred tax assets and will recognize previously unrecognized deferred tax assets to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.



As of December 31, 2021, the Group has NOLCO which can be claimed as deduction from future taxable income and used as deductions against the income tax payable, respectively, as follow:

Year Incurred	NOLCO	Expiry Year
2021	₱13,215,184	2026
2020	₱31,711,183	2025
Total	₱44,926,367	

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Rollforward analysis of the Group’s NOLCO is as follows:

	2021	2020	2019
Balances at beginning of year	₱42,713,322	₱1,498,958	₱1,422,191
Additions	13,215,184	42,292,018	76,767
Expiration and usage	(11,002,139)	(1,077,654)	–
Balances at end of year	₱44,926,367	₱42,713,322	₱1,498,958

Corporate Recovery and Tax Incentive for Enterprise (CREATE) Act

On March 26, 2021, Republic Act No. 11534, Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, was signed into law and took effect on April 11, 2021. The CREATE Act introduces reforms to the corporate income tax and incentive systems by implementing changes to the current tax regulations. Some of these changes, which became effective beginning July 1, 2020, are as follows:

- Reduction in the RCIT rate from 30% to 20% for entities with net taxable income not exceeding 5.0 million and with total assets not exceeding 100.0 million (excluding the value of land on which the business entity’s office, plant and equipment are situated);
- Reduction in the RCIT from 30% to 25% for all other corporations;
- Reduction in the MCIT rate from 2% to 1% of gross income for 3 years or until June 30, 2023; and
- Repeal of the imposition of 10% improperly accumulated earnings tax (IAET).

Applying the provisions of the CREATE act, the Group recognized one-time impact in the statement of income for the period ended December 31, 2021 amounting to ₱652.67 million for provision for income tax (current and deferred) and ₱2.36 million for deferred tax on comprehensive income directly charged to equity. Deferred tax liability - net also decreased by ₱599.08 million.

27. Related Party Transactions

Transactions between related parties are based on terms similar to those offered to nonrelated parties. Related party transactions are made under the normal course of business. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities (referred herein as entities under common control).



In the regular course of business, the Group's significant transactions with related parties, which are accounted for at market prices normally charged to unaffiliated customers for similar goods and services, consist primarily of the following:

- a. The group has outstanding dividends payable to shareholders amounting to ₱800.00 million and ₱713.57 million as of December 31, 2021 and 2020, respectively (see Note 18 and 20).
- b. Contract billings by DMCI, an affiliate, amounted to ₱94.11 million as of December 31, 2020 (nil in 2021), for the construction of the real estate projects included in the "Payables to related parties" account in the consolidated statements of financial position.
- c. The Group has outstanding balance from a condominium corporation for the advances made for association dues and utilities consumed by hotel rooms, common areas and concessionaires for its hotel operations. These are included as receivable from related parties under "Receivables" account in the consolidated statements of financial position.
- d. *Design and build agreement*

The Group entered into an agreement with its joint venture, RDPVI, for the design and construction of a residential condominium project. Terms of payment include 15% down payment and balance payable through monthly progress billings subject to retention and recoupment.

 - i. *Contractor's revenue and costs*

The Group recognized ₱236.89 million and ₱119.09 million contractor's revenue in 2021 and 2020, respectively, which is based on the actual costs incurred over the total budgeted cost of the project. Related cost incurred amounted to ₱217.69 million and ₱109.44 million in 2021 and 2020, respectively.
 - ii. *Billings in excess of cost and estimated earnings on uncompleted contracts*

The Group also recognized billings in excess of costs and estimated earnings on uncompleted contracts amounting to ₱152.38 million and ₱70.90 million as of December 31, 2021 and 2020, respectively, which is presented under "Contract liabilities". This represents billings in excess of total costs incurred and estimated earnings recognized (see Note 19).
 - iii. *Contract retention*

The Group recognized contract retention amounting to ₱96.80 million and ₱34.62 million as of December 31, 2021 and 2020, respectively. This pertains to the amount retained as security and shall be released after the period as indicated in the contract for the rectification of defects and non-compliance from the specifications indicated in the agreement (see Note 15).
 - iv. *Contracts receivable*

The Group recognized contracts receivable amounting to ₱180.64 million and ₱115.18 million as of December 31, 2021 and 2020, respectively, which arises from the construction activities in relation to the joint venture with RDPVI. These receivables are based on progress billings provided to customers over the period of construction (see Note 7).
 - v. *Contract liabilities*

The Group recognized customers' advances and deposits amounting ₱601.67 million which represents the downpayment made by RDPVI. This is equivalent to the value of land and 15% of the contract amount less the first downpayment which is paid upon issuance of building permit (see Note 19).



Management and marketing services agreement

RDPVI has also engaged the services of the Group for the management and marketing of its project. Consideration for the management services is valued at 3% of the sum of net total contract price (NTCP) collected for each month while marketing services to provided is equivalent to 0.50% of real estate sales recorded each month.

RLC and the Group will also act as the exclusive selling arm of RDPVI for the sale of units and parking lots of the project wherein 1.5% of the NTCP of sold units will be payable to the party who sold the units, RLC or the Group.

In 2021 and 2020, the Group earned management and marketing fees amounting to ₱7.59 million and ₱11.21 million, respectively (see Note 22).

e. Socialized Housing Agreement with DMC Urban Property Developers, Inc.

The Group entered into a socialized housing agreement with DMC Urban Property Developers, Inc. (UPDI), an accredited developer of socialized housing project by Department of Human Settlements and Urban Development (DHSUD) in order to obtain the required credits for the development of the condominium project. This was documented in a joint venture agreement in which profits will be shared on a 50:50 allocation basis. The Group finances the whole development and construction of the project while UPDI contributes the land and act as project manager of the project. The total project cost of the compliance project amounts to ₱458.78 million. As of December 31, 2021 and 2020, the advances recorded in the books under “Other current assets” amounted to ₱195.97 million and ₱140.37 million, respectively (see Note 10).

f. Receivable from related parties

The following table summarizes the transactions with related parties in 2021 and 2020 and the outstanding receivable as of December 31, 2021 and 2020 recorded as receivable from related parties under “Receivables” (see Note 7):

2021						
	Relationship	Transaction	Amount	Outstanding Balance	Terms	Conditions
DMCI Mining Corporation	Under common control	Construction and rent services	(₱2,235,056)	₱558,952	Noninterest-bearing; due and demandable	Unsecured, unimpaired
DMC Estate Ventures, Inc.	Under common control	Reimbursement of expenses	–	932,915	Noninterest-bearing; due and demandable	Unsecured, unimpaired
Taisei DMCI Joint Venture	Under common control	Lease, backfill charges	213,395,302	–	Noninterest-bearing; due and demandable	Unsecured, unimpaired
D.M. Consunji	Stockholder under common directors	Trade Reimbursement of expenses and rent services	–	61,182,641	Noninterest-bearing; due and demandable	Unsecured, unimpaired
DMCI Urban Property Developers	Under common control	Reimbursement of expenses	43,933,370	53,509,060	Noninterest-bearing; due and demandable	Unsecured, unimpaired
Condo Corporation	Under common directors	Reimbursement of expenses	(480,994)	4,292,202	Noninterest-bearing; due and demandable	Unsecured, unimpaired
				₱120,475,770		
2020						
	Relationship	Transaction	Amount	Outstanding Balance	Terms	Conditions
DMCI Mining Corporation	Under common control	Construction and rent services	₱15,910,326	₱2,794,008	Noninterest-bearing; due and demandable	Unsecured, unimpaired
Semirara Mining Corporation	Under common control	Reimbursement of expenses	–	20,816	Noninterest-bearing; due and demandable	Unsecured, unimpaired
DMCI Holdings, Inc.	Parent	Reimbursement of expenses	–	26,010	Noninterest-bearing; due and demandable	Unsecured, unimpaired
DMCI Urban Property Developers	Under common control	Reimbursement of expenses and rent services	7,001,629	9,575,690	Noninterest-bearing; due and demandable	Unsecured, unimpaired
Condo Corporation	Under common directors	Reimbursement of expenses	4,739,271	4,773,196	Noninterest-bearing; due and demandable	Unsecured, unimpaired
				₱17,189,720		



g. *Payable to related parties*

The table below summarizes the transactions of the Group with related parties in 2020 (nil in 2021) and the related outstanding payable as of December 31, 2020 (nil in 2021) recorded under “Payable to related parties”:

		2020				
Relationship	Transaction	Amount	Outstanding Balance	Terms	Conditions	
DM Consunji, Inc.	Stockholder	Trade	(P201,949,629)	P94,105,428	Noninterest-bearing; due and demandable	Unsecured
Condo Corporation	Under common directors	Advances	(25,382,354)	-	Noninterest-bearing; due and demandable	Unsecured
DMCI Urban Property Developers	Under common control	Remittances			Noninterest-bearing; due and demandable	Unsecured
		Trade	(4,549,192)	-		Unsecured
			P94,105,428			

The key management personnel of the Group include all directors, executive and non-executive, and senior management. The aggregate compensation and benefits of key management personnel of the Group follows:

	2021	2020	2019
Short-term employee benefits	P31,148,393	P30,930,274	P30,535,971
Post employee benefits (Note 24)	31,579,195	20,648,358	10,890,146
	P62,727,588	P51,578,632	P41,426,117

There are no agreements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Group’s pension plan.

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

As of December 31, 2021 and 2020, the Group has not made any allowance for expected credit loss relating to amounts owed by related parties. The Group applies a general approach in calculating the ECL.

28. Leases, Commitments and Contingencies

Operating Leases - Group as Lessor

The Group entered into lease agreements with third parties covering its investment property portfolio. These leases generally provide for a fixed monthly rental with an escalation of 5% to 7% annually.

Total rent receivables arising from lease of investment properties amounted to P76.39 million and P69.74 million as of December 31, 2021 and 2020, respectively.

Future minimum rentals receivable under non-cancellable operating leases of the Group follow:

	2021	2020
Within one (1) year	P23,597,128	P30,580,797
After one year but not more than five (5) years	94,388,514	72,325,855
More than five (5) years	39,463,238	16,470,430
	P157,448,880	P119,377,082



The Group has entered into residential property leases on its residential condominium unit's portfolio. These leases have a period of two (2) years and the lessee is given the right to purchase the property at the end of the lease period provided that the lessee does not have any arrears in rental payment, condominium dues and other charges. These arrangements were assessed as operating leases and in 2021, the Group recognized income from these leases amounted to ₱10.48 million (see Note 22).

Contingencies

The Group has various collection cases or claims against or from its customers and certain administrative and civil cases, arising in the ordinary conduct which are either pending decision by the courts or are under negotiation, the outcome of which are not presently determinable. In the opinion of the management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material effect on the financial statements. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of these lawsuits, claims and assessments. No provisions were made in 2021, 2020 and 2019 for these lawsuits and claims.

29. Segment Information

For management purposes, the Group's operating segments are organized and managed separately according to the nature of services offered, which comprises of three main groupings as follows:

Developer - focused in mid-income residential development of condominiums and subdivisions under DMCI Project Developers, Inc. and Hampstead Gardens Corporation.

Hotels - focused on hotel services of the DMCI Hotels, Inc. for the hotel operations of Alta Vista de Boracay.

Property Management - pertains to operations of DMCI Property Management Corporation which focuses on management and administrative services rendered to condominium corporations.

Others - operations of DMCI Homes, Inc., Riviera Land Corporation, Zenith Mobility Solutions Services, Inc., and L & I Development Corporation, which pertain to management, advertising, leasing, and elevator and maintenance services.

The financial information about the operations of these business segments is summarized below:

	December 31, 2021					
	Developer	Hotels	Property Management	Others	Elimination	Consolidated
Assets						
Current assets	₱64,213,818,097	₱18,229,154	₱285,111,213	₱209,684,749	₱286,441,040	₱65,013,284,253
Noncurrent assets	17,463,999,680	56,991,715	8,969,731	4,020,890	(501,567,439)	17,032,414,577
Total Assets	₱81,677,817,777	₱75,220,869	₱294,080,944	₱213,705,639	(215,126,399)	₱82,045,698,830
Liabilities						
Current liabilities	₱20,676,100,896	₱81,750,581	₱119,340,679	₱52,183,923	(₱389,743,922)	₱20,539,632,157
Noncurrent liabilities	34,244,780,987	–	30,472,287	–	(3,937,500)	34,271,315,774
Total Liabilities	₱54,920,881,883	₱81,750,581	₱149,812,966	₱52,183,923	(₱393,681,422)	₱54,810,947,931
Revenue	₱24,575,749,786	₱1,966,118	₱224,574,231	₱91,588,651	(₱236,889,300)	₱24,656,989,486
Direct cost	(17,713,791,110)	(3,430,536)	(104,348,710)	(66,579,117)	217,695,495	(17,670,453,978)
General and administrative expenses	(2,323,117,874)	(15,829,282)	(69,907,562)	(4,825,803)	–	(2,413,680,521)
Finance income - net	222,937,995	6,252	47,684	464,493	–	223,456,424
Other income	1,242,392,772	222,016	–	53,766	(3,794,658)	1,238,873,896
Dividend income	58,000,000	–	–	–	(58,000,000)	–
Equity in net earnings of associates	–	–	–	–	45,478,609	45,478,609
Income (loss) before tax	6,062,171,569	(17,065,432)	50,365,643	20,701,990	(35,509,854)	6,080,663,916
Provision for (benefit from) income tax	(862,328,038)	(1,135)	(24,009,959)	(5,182,724)	–	(891,521,856)
Net income	₱5,199,843,531	(₱17,066,567)	₱26,355,684	₱15,519,266	(₱35,509,854)	₱5,189,142,600
Cash flows arising from:						
Operating activities	(3,693,708,492)	(3,939,562)	2,676,961	11,308,044	–	(3,683,663,049)
Investing activities	295,356,487	(1,781,144)	(6,400,089)	(14,865,857)	–	272,309,397
Financing activities	3,117,311,068	–	–	–	–	3,117,311,068
Noncash items:						
Depreciation and amortization	₱524,901,415	4,730,145	4,067,603	309,255	–	₱534,008,418
Transfers to PPE	140,134,599	–	–	–	–	140,134,599



December 31, 2020						
	Developer	Hotels	Property Management	Others	Elimination	Consolidated
Assets						
Current assets	₱63,135,217,972	₱26,908,711	₱268,032,412	₱330,966,078	₱171,183,985	₱63,932,309,158
Noncurrent assets	12,319,900,376	59,940,715	10,989,940	3,037,286	(479,057,580)	11,914,810,737
Total Assets	₱75,455,118,348	₱86,849,426	₱279,022,352	₱334,003,364	(307,873,595)	₱75,847,119,895
Liabilities						
Current liabilities	₱19,238,993,178	₱76,312,571	₱126,974,505	₱188,000,914	(₱505,000,971)	₱19,125,280,197
Noncurrent liabilities	33,527,271,846	–	45,584,267	–	(3,937,500)	33,568,918,613
Total Liabilities	₱52,766,265,024	₱76,312,571	₱172,558,772	₱188,000,914	(₱508,938,471)	₱52,694,198,810
Revenue	₱16,092,440,897	₱19,597,040	₱204,644,897	₱69,291,297	(₱119,086,923)	₱16,266,887,208
Direct cost	(13,051,827,856)	(27,209,010)	(90,054,404)	(56,828,106)	105,274,029	(13,120,645,347)
General and administrative expenses	(2,061,362,771)	(34,241,275)	(71,820,124)	(4,219,127)	–	(2,171,643,297)
Finance income - net	314,659,086	338,019	69,181	1,230,817	–	316,297,103
Other income	749,746,363	(961,942)	152,243	147,117	(7,531,041)	741,552,740
Dividend income	80,877,000	–	–	–	(80,877,000)	–
Equity in net earnings of associates	–	–	–	–	31,854,424	31,854,424
Income (loss) before tax	2,124,532,719	(42,477,168)	42,991,793	9,621,998	(70,366,511)	2,064,302,831
Provision for (benefit from) income tax	(630,673,545)	1,505,148	(24,137,066)	(4,196,340)	–	(657,501,803)
Net income	₱1,493,859,174	(₱40,972,020)	₱18,854,727	₱5,425,658	(₱70,366,511)	₱1,406,801,028
Cash flows arising from:						
Operating activities	(₱2,677,875,762)	(₱67,838,936)	₱16,148,804	(₱8,526,404)	(₱624,345,000)	(3,362,437,298)
Investing activities	(311,637,393)	(4,192,380)	(5,694,245)	(96,875)	624,345,000	302,724,107
Financing activities	1,928,976,616	–	–	–	–	1,928,976,616
Noncash items:						
Depreciation and amortization	₱548,077,112	₱5,837,682	₱5,539,519	₱258,517	₱–	₱559,712,830
Transfers to PPE	362,567,843	–	–	–	–	362,567,843

December 31, 2019						
	Developer	Hotels	Property Management	Others	Elimination	Consolidated
Assets						
Current assets	₱60,025,167,733	₱135,600,087	₱230,888,575	₱400,059,250	(₱491,320,696)	₱60,300,394,949
Noncurrent assets	10,525,264,479	61,586,017	7,695,255	3,198,929	167,915,132	10,765,659,812
Total Assets	₱70,550,432,212	₱197,186,104	₱238,583,830	₱403,258,179	(₱323,405,564)	₱71,066,054,761
Liabilities						
Current liabilities	₱21,420,040,874	₱126,227,230	₱103,947,857	₱228,438,638	(₱550,890,860)	₱21,327,763,739
Noncurrent liabilities	26,615,327,515	–	29,024,206	242,748	(3,937,500)	26,640,656,969
Total Liabilities	₱48,035,368,389	₱126,227,230	₱132,972,063	₱228,681,386	(₱554,828,360)	₱47,968,420,708
Revenue	₱18,073,946,611	₱255,705,698	₱190,091,425	₱67,050,739	₱–	₱18,586,794,473
Direct cost	(12,949,936,292)	(175,995,095)	(79,540,709)	(37,288,062)	36,265,686	(13,206,494,472)
General and administrative expenses	(2,321,360,330)	(44,067,146)	(56,990,446)	(5,227,984)	–	(2,427,645,906)
Finance income - net	325,879,344	2,996,183	47,733	2,238,992	–	331,162,252
Other income	1,144,661,848	7,179,078	1,536,457	57,433	(36,265,686)	1,117,169,130
Dividend income	34,535,000	–	–	–	(33,660,000)	875,000
Equity in net earnings of associates	–	–	–	–	57,871,060	57,871,060
Income before tax	4,307,726,181	45,818,718	55,144,460	26,831,118	24,211,060	4,459,731,537
Provision for income tax	(1,320,316,894)	(13,443,397)	(23,612,827)	(7,389,540)	–	(1,364,762,658)
Net income	₱2,987,409,287	₱32,375,321	₱31,531,633	₱19,441,578	₱24,211,060	₱3,094,968,879
Cash flows arising from:						
Operating activities	(₱4,473,402,334)	₱54,356,194	₱14,679,617	(₱3,226,817)	₱–	(₱4,407,593,340)
Investing activities	(1,438,288,640)	(60,740,864)	(4,043,084)	(541,205)	(21,975,000)	(1,525,588,793)
Financing activities	5,667,111,065	(16,000,000)	–	(10,000,000)	12,770,000	5,653,881,065
Noncash items:						
Depreciation and amortization	₱429,045,441	₱4,518,427	₱6,613,934	₱248,095	₱–	₱440,425,897

Management, through Executive Committee, monitors segment net income for the purpose of making decision about resources allocation. Segment performance is evaluated based on net income, which is accounted for differently in the consolidated statements of comprehensive income.

In 2021 and 2020, the Group reclassified cost of real estate inventories to property and equipment amounting to ₱140.13 million and ₱362.57 million to be used for construction of the Group's projects. There were no other transfers of property and equipment and investment property to real estate inventories in 2021, 2020, and 2019.

The Group has no revenue from transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.



Disaggregation of Revenue Information

The Group derives revenue from the transfer of goods and services over time and at a point in time, in different product types. The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

Real estate sales

	2021	2020	2019
Type of Product			
High-rise condominium	₱22,685,122,395	₱14,722,930,416	₱9,247,563,507
Medium-rise condominium	208,715,656	1,011,584,705	5,874,051,440
Hybrid condominium	686,179,931	112,095,764	2,323,824,227
House and lot	521,953,203	7,656,167	628,507,437
	₱24,101,971,185	₱15,854,267,052	₱18,073,946,611

Real estate sales arise from its developer segment and RLC under other segments. All of the Group's real estate sales are revenue from contracts with customers recognized over time.

Contractor's Revenue

Contractors revenue arise from the Design and Build Agreement with RPDVI for the design, supply, labor and installation of material, labor and equipment, and supervision of the design and build of Sonora Garden Residences Project. The revenue is recognized over time using the POC method and applies input method to measure the progress of construction. The amount of revenue to be recognized is based on the actual costs incurred over the total budgeted cost of the project. The Company recognized contractor's revenue amounting to ₱236.89 million and ₱119.09 million in 2021 and 2020, respectively.

Hotel services

	2021	2020	2019
Type of Product			
Rooms	₱1,309,006	₱14,711,902	₱170,662,193
Food and beverages	569,674	4,709,781	82,627,385
Transportation services	87,438	175,357	2,416,120
	₱1,966,118	₱19,597,040	₱255,705,698

Revenues earned from hotel services pertain to revenue from contracts with customers, food and beverages and transportation services which are recognized at a point in time or when the related sales and services are rendered.

Property management services

	2021	2020	2019
Type of Services			
Management fees	₱162,454,944	₱145,062,007	₱56,550,130
Reimbursable fees	62,119,287	59,582,890	133,541,295
	₱224,574,231	₱204,644,897	₱190,091,425



Revenues from reimbursable and management fees are recognized over time.

Elevator and maintenance services

	2021	2020	2019
Type of Services			
Service revenue	₱51,269,578	₱32,080,112	₱36,885,882
Sales revenue	40,319,073	37,211,184	30,164,857
	₱91,588,651	₱69,291,296	₱67,050,739

Service revenue is recognized over time while sales revenue is recognized at a point in time.

Performance obligations

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

Real estate sales

The Group entered into contracts to sell with one (1) identified performance obligation which is the sale of the real estate unit. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover either the: (i) serviced lot; (ii) serviced lot and house, and; (iii) condominium unit. The Group concluded that there is one (1) performance obligation in each of these contracts. The Group recognizes revenue from the sale of real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

After the delivery of the completed real estate unit, the Group provides two-year warranty to repair minor defects on the delivered real estate unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) are as follows:

	2021	2020
Within one year	₱27,400,106,346	₱26,523,441,752
More than one year	38,604,479,234	49,242,219,498
	₱66,004,585,580	₱75,765,661,250

The remaining performance obligations expected to be recognized within one (1) year and in more than one (1) year relate to the continuous development of the Group's real estate projects. The Group's construction of condominium units are normally completed within three (3) to seven (7) years.



Contractor's revenue

Revenue from construction services with customers is recognized over time using the input method. Contract with customers also include revenue from the Design and Build Agreement with RDPVI for the performance obligation of design, supply, labor and installation of material, labor and equipment, and supervision of the design and build of Sonora Garden Residences Project. The amount of revenue recognized from amounts included in contract liabilities at the beginning of the year amounted to ₱76.62 million and ₱51.93 million in 2021 and 2020, respectively (nil in 2019; see Note 19).

The remaining performance obligations expected to be recognized within one (1) year and in more than one (1) year relate to the continuous development of the construction of the project.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) are as follows:

	2021	2020
Within one year	₱377,373,786	₱499,591,827
More than one year	1,996,918,081	2,111,589,341
	₱2,374,291,867	₱2,611,181,168

30. Financial Instruments – Fair Value Information

The following tables set forth the carrying values and estimated fair values of the Group's financial assets and financial liabilities recognized as of December 31, 2021 and 2020:

	2021		2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Other financial liabilities				
Loans payable	₱32,634,591,651	₱33,636,884,947	₱28,314,873,498	₱30,842,879,241
Liabilities for purchased land	1,571,369,622	1,487,640,524	2,019,605,056	1,946,961,777
Total financial liabilities	₱34,205,961,273	₱35,124,525,471	₱30,334,478,554	₱32,789,841,018

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

- Due to the short-term nature of the transactions and interest earned from the deposits, the carrying amounts of cash and cash equivalents, receivables, deposit in escrow fund under "Other current assets", recoverable deposits and contract retention under "Other noncurrent assets", accounts and other payables, and payables to related parties approximate their fair values.
- The fair values of loans payable and liabilities for purchased land are based on the discounted value of future cash flows using the applicable rates for similar types of loans.

The discount rates used for loans payable range from 0.20% to 4.57% in 2021 and 0.99% to 2.78% in 2020. Liabilities for purchased land were discounted at 1.67% to 4.43% in 2021 and 1.71% to 2.66% in 2020.

Fair Value Hierarchy

The carrying value and fair value of loans payable and liabilities for purchased land are categorized under Level 3 in the fair value hierarchy using discounted cash flow analysis. There were no transfers among Levels 1, 2 and 3 for the years ended December 31, 2021 and 2020.



31. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of financial asset at amortized cost, loans payable, liabilities for purchased land, accounts and other payables and payables to related parties.

The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarized below:

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities such as bank loans.

The following table summarizes the maturity profile of the Group's financial assets and financial liabilities as of December 31, 2021 and 2020, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity dates. Balances due within twelve (12) months equal their carrying amounts, as the impact of discounting is insignificant.

	2021					Total
	< 1 year	1 to < 2 years	2 to < 3 years	3 to < 5 years	> 5 years	
Financial assets at amortized cost						
Cash and cash equivalents	₱4,472,228,172	₱-	₱-	₱-	₱-	₱4,472,228,172
Receivables:						
Trade:						
Installment contracts receivable	2,776,999,872	-	-	-	-	2,776,999,872
Receivables from buyers	743,120,459	-	-	-	-	743,120,459
Property management	164,102,443	-	-	-	-	164,102,443
Contract receivable	180,638,449	-	-	-	-	180,638,449
Elevator and maintenance	18,726,616	-	-	-	-	18,726,616
Hotel operations	2,476,034	-	-	-	-	2,476,034
Receivables from:						
Condominium corporations	409,727,085	-	-	-	-	409,727,085
Rental	76,392,799	-	-	-	-	76,392,799
Employees	34,537,220	-	-	-	-	34,537,220
Related parties	120,475,770	-	-	-	-	120,475,770
Others	181,304,867	-	-	-	-	181,304,867
Deposit in escrow fund	340,623,169	-	-	-	-	340,623,169
Recoverable deposits	-	299,786,949	-	-	-	299,786,949
Others*	196,696,200	-	-	-	-	196,696,200
Contract retention	-	-	-	-	96,804,983	96,804,983
Total financial assets	₱9,718,049,155	₱299,786,949	₱-	₱-	₱96,804,983	₱10,114,641,087
Other financial liabilities						
Loans payable**	₱7,052,696,032	₱3,858,918,106	₱15,233,544,970	₱11,829,113,638	₱37,974,272,747	₱75,948,545,493
Liabilities for purchased land	601,817,432	815,476,331	9,111,120	39,162,905	105,801,834	1,571,369,622
Accounts and other payables						
Accounts payable - trade	2,526,396,820	-	-	-	-	2,526,396,820
Commission payable	1,113,336,211	1,079,558,646	-	-	-	2,192,894,857
Dividends payable	800,000,000	-	-	-	-	800,000,000
Retention payable	848,354,317	-	-	-	-	848,354,317
Accrued interest payable	195,980,079	-	-	-	-	195,980,079
Refundable deposits	292,228,612	-	-	-	-	292,228,612
Accrued expenses***	99,827,917	-	-	-	-	99,827,917
Others	106,559,982	-	-	-	-	106,559,982
Other financial liabilities	₱13,637,197,402	₱5,753,953,083	₱15,242,656,090	₱11,868,276,543	₱38,080,074,581	₱84,582,157,699



	2020					
	< 1 year	1 to < 2 years	2 to < 3 years	3 to < 5 years	> 5 years	Total
Financial assets at amortized cost						
Cash and cash equivalents	₱4,766,268,217	₱-	₱-	₱-	₱-	₱4,766,268,217
Receivables:						
Trade:						
Installment contracts receivable	5,627,899,190	-	-	-	-	5,627,899,190
Receivables from buyers	837,840,279	-	-	-	-	837,840,279
Property management	148,758,324	-	-	-	-	148,758,324
Contract receivable	115,178,869	-	-	-	-	115,178,869
Elevator and maintenance	28,910,571	-	-	-	-	28,910,571
Hotel operations	1,930,800	-	-	-	-	1,930,800
Receivables from:						
Condominium corporations	379,503,663	-	-	-	-	379,503,663
Rental	69,739,790	-	-	-	-	69,739,790
Employees	30,006,898	-	-	-	-	30,006,898
Related parties	17,189,720	-	-	-	-	17,189,720
Others	127,625,464	-	-	-	-	127,625,464
Deposit in escrow fund	229,206,785	-	-	-	-	229,206,785
Recoverable deposits	-	234,666,578	-	-	-	234,666,578
Others*	141,217,379	-	-	-	-	141,217,379
Contract retention	-	-	-	-	34,616,721	34,616,721
Total financial assets	₱12,521,275,949	₱234,666,578	₱-	₱-	₱34,616,721	₱12,790,559,248
Other financial liabilities						
Loans payable**	₱4,050,632,691	₱3,850,364,575	₱3,584,215,291	₱5,597,615,081	₱16,763,011,864	₱33,845,839,502
Liabilities for purchased land	849,023,520	984,491,131	19,303,120	60,985,451	105,801,834	2,019,605,056
Accounts and other payables						
Accounts payable - trade	2,558,648,539	-	-	-	-	2,558,648,539
Commission payable	1,381,208,708	1,172,543,428	-	-	-	2,553,752,136
Dividends payable	713,573,000	-	-	-	-	713,573,000
Retention payable	678,253,452	-	-	-	-	678,253,452
Accrued interest payable	375,356,339	-	-	-	-	375,356,339
Refundable deposits	322,413,218	-	-	-	-	322,413,218
Accrued expenses***	61,127,697	-	-	-	-	61,127,697
Others	68,066,275	-	-	-	-	68,066,275
Payables to related parties	94,105,428	-	-	-	-	94,105,428
Other financial liabilities	₱11,152,408,867	₱6,007,399,134	₱3,603,518,411	₱5,658,600,532	₱16,868,813,698	₱43,290,740,642

*Excluding inventory spare parts amounting to ₱21.17 million

**Including future interest payment

***Excluding nonfinancial liabilities amounting to ₱674.93 million

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's financial instruments affected by market risk include loans payable and cash and cash equivalents.

a.) Interest rate risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's bank loans with floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable debt rate debts. Out of the total bank loans, those with floating interest rates are 27.03% in 2021 and 23.01% in 2019.

The terms of the interest-bearing financial liabilities, together with its corresponding nominal amounts and carrying values are shown in the following table:

	2021		2020	
	Effective Interest Rate	Amount	Effective Interest Rate	Amount
Loans payable				
Term loans and corporate notes	2.09% to 6.33%	₱30,193,556,747	2.67% to 6.72%	₱28,060,427,388
Liabilities on installment contract receivables sold to banks	3.55% to 6.00%	2,441,034,904	4.00% to 6.19%	55,652,870
HomeSaver Bonds	-	-	4.75% to 5.25%	198,793,240
		₱32,634,591,651		₱28,314,873,498



The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant of the Group's profit before tax as of December 31, 2021 and 2020.

	Change in basis points	2021		2020	
		Effect on income before income tax	Effect on equity	Effect on income before income tax	Effect on equity
Loans payable	+100 bps	(P88,208,306)	(P61,745,814)	(P65,158,857)	(P45,611,200)
	-100 bps	88,208,306	61,745,814	65,158,857	45,611,200

The assumed movement in basis points for interest rate sensitivity analysis is based on the Group's historical changes in market interest rates on unsecured bank loans.

The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values are shown in the following table:

		2021					
	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Cash in banks and cash equivalents	Fixed at the date of investment	Various	P4,468,700,616	P4,468,700,616	P-	P-	P4,468,700,616
Loans payable							
	Floating at 8.12% to 11.23% over the remaining term	Annually	2,441,034,904	2,424,580,500	16,454,404	-	2,441,034,904
Peso	Floating at 4.00% to 6.58%	Quarterly	6,379,795,735	115,982,985	6,263,812,750	-	6,379,795,735
			P13,289,531,255	P7,009,264,101	P6,280,267,154	P-	P13,289,531,255

		2020					
	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Cash in banks and cash equivalents	Fixed at the date of investment	Various	P4,762,919,471	P4,762,919,471	P-	P-	P4,762,919,471
Loans payable							
	Floating at 8.12% to 11.23% over the remaining term	Annually	55,652,870	17,179,947	38,472,923	-	55,652,870
Peso	Floating at 4.00% to 6.58%	Quarterly	6,460,302,842	80,429,407	6,379,803,435	-	6,460,232,842
			P11,278,875,183	P4,860,528,825	P6,418,276,358	P-	P11,278,805,183

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's exposure to credit risk arises from default of the counterparties which include certain financial institutions, real estate buyers and related parties. To manage credit risks, the Group maintains defined credit policies and monitors its exposure to credit risks on a continuous basis. The credit risk is concentrated to the following customers:

	2021	2020
Real estate buyers	93.11%	91.94%
Others	6.89%	8.06%
Total	100.00%	100.00%



In respect of installment contracts receivable from the sale of real estate properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. An impairment analysis is performed at each reporting date using a vintage analysis to measure expected credit losses. The default rates are based on historical credit loss experience for groupings of various customer segments with similar loss patterns (i.e., by payment scheme and collateral type) and are adjusted with forward looking information. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g., grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Given this, based on the experience of the Group, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default (i.e., recovery rate is more than 100%). The Group evaluates the concentration of risk with respect to installment contracts receivable and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act (“Bayanihan 1 Act”) was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act (“Bayanihan 2 Act”), was enacted. Under Bayanihan 2 Act, a onetime sixty (60)-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other charges. As a result of the enacted Bayanihan 1 Act, on April 3, 2020, the DHSUD issued Department Order 2020-004 which states that upon lifting of the enhanced community quarantine period and thirty (30) days thereafter, the accumulated installment payment or payments shall be payable within the succeeding six (6)-month period without incurring interests and penalties. In 2020, the Group provided reliefs under Bayanihan 1 Act, Bayanihan 2 Act and Department Order 2020-004 of DHSUD, which offered financial reliefs to its customers as a response to the effect of the COVID-19 pandemic. These relief measures included the extension of payment terms for the Group.

Based on the Group’s assessment, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and therefore do not result in the derecognition of the affected financial assets.

The repossessed lots and residential houses are recorded back to inventory under the “Real estate inventories” account and are held for sale in the ordinary course of business. The total of these inventories amounts to ₱801.89 million and ₱1,219.46 million as at December 31, 2021 and 2020, respectively. The Group performs certain repair activities on the said repossessed assets in order to put their condition at a marketable state. Costs incurred in bringing the repossessed assets to its marketable state are included in their carrying amounts.



Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Cash and cash equivalents are placed in various banks. Material amounts are held by banks which belong to the top five (5) banks in the country. The rest are held by local banks that have good reputation and low probability of insolvency. These are considered to be low credit risk investments. The Group's maximum exposure to credit risk as of December 31, 2021 and 2020 is equal to the carrying values of its financial assets.

The tables below present the summary of the Group's exposure to credit risk as of December 31 and show the credit quality of the assets by indicating whether the assets are subjected to the 12-month ECL or lifetime ECL.

	2021		2020	
	12-month ECL	Lifetime ECL Not credit impaired	12-month ECL	Lifetime ECL Not credit impaired
Cash and cash equivalents*	₱4,468,700,616	₱-	₱4,762,919,471	₱-
Trade:				
Installment contracts receivable	-	2,776,999,872	-	5,627,899,190
Receivables from buyers	-	743,120,459	-	837,840,279
Property management**	-	136,772,870	-	148,758,324
Elevator and maintenance	-	18,726,616	-	28,910,571
Hotel operations	-	2,476,034	-	1,930,800
Receivables from:				
Condo corporations**	₱-	₱395,709,838	₱-	₱379,503,663
Rental	-	76,392,799	-	69,739,790
Employees**	-	32,175,760	-	30,006,898
Related parties	-	120,475,770	-	17,189,720
Others	-	181,304,867	-	127,625,464
Deposit in escrow fund	340,623,169	-	229,206,785	-
Recoverable deposits	299,786,949	-	234,666,578	-
Contract retention	96,804,983	-	34,616,721	-
	₱5,205,915,717	₱4,484,154,885	₱5,261,409,555	₱7,269,404,699

*Excludes cash on hand

**Excludes allowance for expected losses

As of December 31, 2021 and 2020, the aging analyses per class of loan-related financial assets follow:

	2021						Total
	Neither Past Due Nor Impaired	Past Due But Not Impaired				Impaired Financial Assets	
		<30 days	30-60 days	61-90 days	>90 days		
Trade:							
Installment contracts receivable	₱-	₱463,472,527	₱1,050,162,247	₱716,219,796	₱547,145,302	₱-	₱2,776,999,872
Receivables from buyer	743,120,459	-	-	-	-	-	743,120,459
Property management	-	26,639,441	6,769,989	4,946,380	98,417,060	27,329,573	164,102,443
Contract receivables	180,638,449	-	-	-	-	-	180,638,449
Elevator and maintenance	-	10,740,556	4,336,230	608,022	3,041,808	-	18,726,616
Hotel operations	-	-	-	-	2,476,034	-	2,476,034
Receivables from:							
Condo corporations	395,709,837	-	-	-	-	14,017,248	409,727,085
Rental	76,392,799	-	-	-	-	-	76,392,799
Employees	32,175,760	-	-	-	-	2,361,460	34,537,220
Related parties	120,475,770	-	-	-	-	-	120,475,770
Others	181,304,867	-	-	-	-	-	181,304,867
	₱1,729,817,941	₱500,852,524	₱1,061,268,466	₱721,774,199	₱651,080,204	₱43,708,281	₱4,708,501,614



	2020						Impaired Financial Assets	Total
	Neither Past Due Nor Impaired	Past Due But Not Impaired						
		<30 days	30-60 days	61-90 days	>90 days			
Trade:								
Installment contracts receivable	₱1,870,154,956	₱1,483,912,289	₱377,030,847	₱439,596,655	₱1,457,204,443	₱-	₱5,627,899,190	
Receivables from buyer	837,840,279	-	-	-	-	-	837,840,279	
Property management	-	10,930,554	7,961,330	7,012,125	108,018,061	14,836,254	148,758,324	
Contract receivables	115,178,869	-	-	-	-	-	115,178,869	
Elevator and maintenance	-	15,489,633	4,540,052	2,346,647	6,534,239	-	28,910,571	
Hotel operations	-	-	-	-	1,930,800	-	1,930,800	
Receivables from:								
Condo corporations	363,994,001	-	-	-	-	15,509,662	379,503,663	
Rental	69,739,790	-	-	-	-	-	69,739,790	
Employees	27,171,563	-	-	-	-	2,835,335	30,006,898	
Related parties	17,189,720	-	-	-	-	-	17,189,720	
Others	127,625,464	-	-	-	-	-	127,625,464	
	₱3,428,894,642	₱1,510,332,476	₱389,532,229	₱448,955,427	₱1,573,687,543	₱33,181,251	₱7,384,583,568	

The table below shows the credit quality of the Group's loan-related financial assets as of December 31, 2021 and 2020.

High Quality. This pertains to a counterparty who is not expected to default in settling its obligations, thus credit risk is minimal. This normally includes large prime financial institutions and companies.

Standard Quality. Other financial assets not belonging to the high quality category are included in this category.

	2021			2020		
	High Quality	Standard Quality	Total	High Quality	Standard Quality	Total
Cash and cash equivalents*	₱4,468,700,616	₱-	₱4,468,700,616	₱4,762,919,471	₱-	₱4,762,919,471
Trade:						
Installment contracts receivable	-	2,776,999,872	2,776,999,872	-	5,627,899,190	5,627,899,190
Receivables from buyers	-	743,120,459	743,120,459	-	837,840,279	837,840,279
Property management	-	164,102,443	164,102,443	-	148,758,324	148,758,324
Contracts Receivable	-	180,638,449	180,638,449	-	115,178,869	115,178,869
Elevator and maintenance	-	18,726,616	18,726,616	-	28,910,571	28,910,571
Hotel operations	-	2,476,034	2,476,034	-	1,930,800	1,930,800
Receivables from:						
Condo corporations	-	409,727,085	409,727,085	-	379,503,663	379,503,663
Rental	-	76,392,799	76,392,799	-	69,739,790	69,739,790
Employees	-	34,537,220	34,537,220	-	30,006,898	30,006,898
Related parties	-	120,475,770	120,475,770	-	17,189,720	17,189,720
Others	-	181,304,867	181,304,867	-	127,625,464	127,625,464
Deposit in escrow fund	340,623,169	-	340,623,169	229,206,784	-	229,206,784
Recoverable deposits	299,786,949	-	299,786,949	234,666,578	-	234,666,578
Contract retention	-	96,804,983	96,804,983	-	34,616,721	34,616,721
	₱5,109,110,734	₱4,805,306,597	₱9,914,417,331	₱5,226,792,833	₱7,419,200,289	₱12,645,993,122

*Excludes cash on hand

32. Earnings Per Share

Basic/diluted earnings per share amounts attributable to equity holders of the Parent Company are computed as follows:

	2021	2020	2019
Net income attributable to equity holders of Parent company	₱5,189,073,080	₱1,406,833,028	₱3,086,484,447
Divided by the weighted average number of common shares	3,487,727,331	3,487,727,331	3,487,727,331
Basic/diluted earnings per share	₱1.488	₱0.403	₱0.885



There were no potential dilutive common shares for the years ended December 31, 2021, 2020 and 2019.

33. Notes to Statements of Cash Flows

The Group's investing activities consist of the following:

	2021	2020	2019
Transfer from software cost to general and administrative expenses (Note 13)	₱17,152,783	₱-	₱-
Transfer from real estate inventories to property and equipment (Note 9)	140,134,599	362,567,843	-

Disclosed below is the rollforward of liabilities under financing activities:

2021

	January 1, 2021	Cash flows	Noncash changes	December 31, 2021
Loans payable (Note 16)	₱28,314,873,498	₱4,278,639,763	₱41,078,390	₱32,634,591,651
Dividends (Notes 18 and 20)	713,573,000	(1,158,573,000)	1,245,000,000	800,000,000
Interest payable (Note 18)	375,356,339	(2,755,695)	(176,620,565)	195,980,079
Total	₱29,403,802,837	₱3,117,311,068	₱1,109,457,825	₱33,630,571,730

Noncash changes pertain to transfers from real estate inventories to property and equipment amounting to ₱140.13 million, dividends declared and interest expense (see Notes 9, 14, 16, 20, and 25).

2020

	January 1, 2020	Cash flows	Noncash changes	December 31, 2020
Loans payable (Note 16)	₱25,786,128,762	₱2,491,614,149	₱37,130,587	₱28,314,873,498
Dividends (Notes 18 and 20)	-	(547,287,502)	1,260,860,502	713,573,000
Interest payable (Note 18)	256,121,816	(15,350,031)	134,584,554	375,356,339
Total	₱26,042,250,578	₱1,928,976,616	₱1,432,575,643	₱29,403,802,837

Noncash changes pertain to dividends and interest expense, excluding accretion of unamortized discount on liabilities for purchased land (see Notes 16, 17, 20 and 25).

2019

	January 1, 2019	Cash flows	Noncash changes	December 31, 2019
Loans payable (Note 16)	₱18,771,487,440	₱6,979,436,402	₱35,204,920	₱25,786,128,762
Dividends (Notes 18 and 20)	5,390,000	(1,288,843,414)	1,283,453,414	-
Interest payable (Note 18)	204,142,265	(36,711,923)	88,691,474	256,121,816
Total	₱18,981,019,705	₱5,653,881,065	₱1,407,349,808	₱26,042,250,578

34. Events after reporting period

On February 21, 2022, the BOD approved and resolved the merger of the Parent Company with its subsidiary, L&I Development Corporation with the Parent Company as the surviving corporation for the development of a parcel of land situated in Quezon City.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
DMCI Project Developers, Inc.
DMCI Homes Corporate Center
1321 Apolinario St., Bangkal
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of DMCI Project Developers, Inc. and its subsidiaries (the Group) as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 and have issued our report thereon dated February 24, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. The schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements.

SYCIP GORRES VELAYO & CO.



Dhonabee B. Señeres

Partner

CPA Certificate No. 97133

Tax Identification No. 201-959-816

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 97133-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-098-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8854369, January 3, 2022, Makati City

February 24, 2022



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
DMCI Project Developers, Inc.
DMCI Homes Corporate Center
1321 Apolinario St., Bangkal
Makati City

We have audited the consolidated financial statements of DMCI Project Developers, Inc. (the Parent Company) and its subsidiaries as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021, on which we have rendered the attached report dated February 24, 2022.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that as of December 31, 2021, the Parent Company has five (5) stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.



Dyonabee B. Señeres

Partner

CPA Certificate No. 97133

Tax Identification No. 201-959-816

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 97133-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-098-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8854369, January 3, 2022, Makati City

February 24, 2022



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
INDEX TO SUPPLEMENTARY SCHEDULES

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 - B. Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
 - C. Amounts Receivable from Related Parties which are Eliminated during
the Consolidation of Financial Statements
 - D. Long-term Debt
 - E. Indebtedness to Related Parties
 - F. Guarantees of Securities of Other Issuers
 - G. Capital Stock

- II. Reconciliation of Retained Earnings Available for Dividend Declaration (Annex 68-D)

- III. Map of the relationship of the companies within the Group

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES**SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON REVISED SECURITIES REGULATION CODE (SRC)****RULE 68****DECEMBER 31, 2021**

Below are the additional information and schedules required by Revised SRC Rule 68 that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not required part of the consolidated financial statements.

Schedule A. Financial Assets

Name of issuing entity and association of each issue	Amount shown on the balance sheet	Income accrued and received
A. Cash in banks	₱3,673,706,466	₱3,192,421
Eastwest Universal Bank		
Peso	744,677,065	
Foreign Currency	152,820	
China Banking Corporation	728,641,905	
Philippine National Bank	248,556,630	
Bank of the Philippine Islands	427,906,678	
Banco De Oro Unibank	772,941,714	
Others	750,829,654	
B. Cash equivalents	₱794,994,150	₱17,592,261
C. Loans and receivables	₱5,124,565,003	₱320,434,026
Receivables	4,484,154,885	320,434,026
Deposit in escrow	340,623,169	—
Recoverable deposits	299,786,949	—

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period
<i>Not applicable. The Group does not have amounts receivable from directors, officers and principal stockholders above ₱1.00 million or 1% of total consolidated assets as of December 31, 2021.</i>							

Schedule C. Amounts Receivable from/Payables to Related Parties which are eliminated during the Consolidated of Financial Statements

The following is the schedule of receivables from related parties, which are eliminated in the consolidated financial statements as at December 31, 2021:

Entity with Receivable Balance	Name of Entity with Payable Balance	Due from related party	Due to related party
Riviera Land Corporation	DMCI Project Developers, Inc.	₱134,369,561	(134,369,561)
Hampstead Gardens Corporation	DMCI Project Developers, Inc.	85,447,210	(85,447,210)
DMCI Project Developers, Inc.	DMCI Homes Property Management Corporation	64,719,039	(64,719,039)
DMCI Project Developers, Inc.	DMCI PDI Hotels, Inc.	32,789,448	(32,789,448)
DMCI Project Developers, Inc.	Zenith Mobility Solutions Services, Inc.	221,523	(221,523)
DMCI Homes Property Management Corporation	DMCI PDI Hotels, Inc.	394	(394)

As of December 31, 2021, the balances above of due from and due to related parties are expected to be realized and settled within twelve months from the reporting date and are classified under current assets and liabilities. There were no amounts written off during the year.

Schedule D. Long-term Debt

Below is the schedule of long-term debt (net of unamortized debt issue cost) of the Group:

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet	Interest Rate	Maturity Date
Term loans and corporate notes	₱30,193,556,747	₱3,285,600,022	₱26,907,956,725	Various	Various
Receivables Discounting	2,441,034,904	2,424,580,500	16,454,404	6.12%	Various
	₱32,634,591,651	₱5,710,180,522	₱26,924,411,129		

Schedule E. Indebtedness to Related Parties (Long Term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
NOT APPLICABLE		

Schedule F. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the group for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount of owned by person for which statement is filed	Nature of guarantee
NOT APPLICABLE				

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common stock - ₱1 par value	5,000,000,000	3,487,727,331	–	3,487,724,325	3,006	–

See Note 20 of the Consolidated Financial Statements

DMCI PROJECT DEVELOPERS, INC.**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE
FOR DIVIDENDS DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

Unappropriated Retained Earnings, beginning	₱3,174,924,068
Less adjustment on deferred tax assets, beginning	(117,415,807)
Unappropriated Retained Earnings, as adjusted, beginning	3,057,508,261
Net income actually earned/realized during the period:	
Net income during the period closed to retained earnings	5,199,843,531
Less: Non actual/unrealized income net of tax	—
Equity in net income of associate/joint venture	—
Unrealized actuarial gain	—
Fair value adjustment (M2M gains)	—
Fair value adjustment of Investment Property resulting to gain	—
Adjustment due to deviation from PFRS/GAAP - gain	—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—
Deferred tax asset that reduced the amount of income tax expense	6,002,162
Add: Non-actual losses	
Depreciation on revaluation increment (after tax)	—
Adjustment due to deviation from PFRS/GAAP - loss	—
Loss on fair value adjustment of investment property (after tax)	—
Unrealized foreign exchange loss - net (except those attributable to cash and cash equivalents)	—
Net income actually earned during the period	5,205,845,693
Add (Less):	
Dividend declarations during the period	(1,245,000,000)
Appropriations of retained earnings during the period	—
Reversals of appropriations	—
Effects of change in accounting policy	—
Treasury shares	—
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND DECLARATION	₱7,018,353,954

INDEPENDENT AUDITOR'S REPORT COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
DMCI Project Developers, Inc.
DMCI Homes Corporate Center
1321 Apolinario St., Bangkal
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of DMCI Project Developers, Inc. and its subsidiaries (the Group) as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated February 24, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs), as modified by the application of financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the SEC, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued approved by the SEC, as described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Dhonabee B. Señeres

Partner

CPA Certificate No. 97133

Tax Identification No. 201-959-816

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 97133-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-098-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8854369, January 3, 2022, Makati City

February 24, 2022



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS****FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

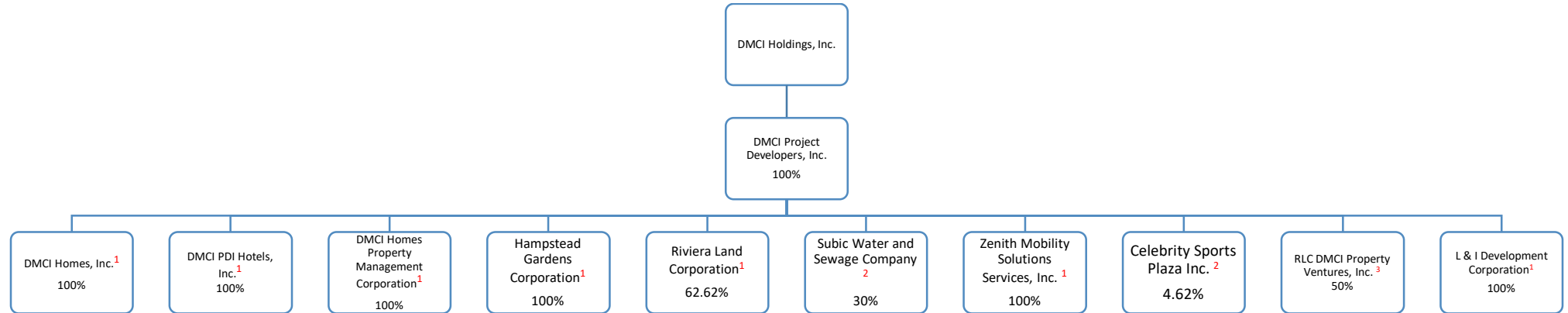
Ratio	Formula	2021	2020
Current ratio	Current assets/Current liabilities	3.17:1	3.34:1
Acid test ratio	Quick assets/Current liabilities	0.97:1	1.04:1
Solvency ratio	Net income plus Depreciation / Total liabilities	0.10:1	0.04:1
Debt-to-equity ratio	Total interest-bearing debt/Total stockholders' equity	2.01:1	2.28:1
Asset-to-equity ratio	Total assets/Total stockholders' equity	3.01:1	3.28:1
Interest coverage ratio	EBIT/Interest expense on loans	3.84:1	1.18:1
Return on equity	Net income attributable to equity holders/Average total stockholders' equity	20.66%	6.11%
Return on assets	Net income /Average total assets	6.57%	1.92%
Net profit margin	Net income /Revenue	21.05%	8.65%

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES

MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

Group Structure

Below is a map showing the relationship between and among the Group as of December 31, 2021:



¹ *Subsidiary*

² *Associate*

³ *Joint Venture*

*CSN Properties, Inc. (45%) and Contech Products South (33%) which are both associates of Parent Company are provided with allowance for impairment loss.

COVER SHEET

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SEC Registration Number

D	M	C	I	P	R	O	J	E	C	T	D	E	V	E	L	O	P	E	R	S	,	I	N	C	.		
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(Company's Full Name)

D	M	C	I	C	O	R	P	O	R	A	T	E	C	E	N	T	E	R										
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M	A	K	A	T	I	C	I	T	Y																			
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(Business Address: No., Street City/ Town/ Province)

Evangeline H. Atchioco

Contact Person

555-7777

Company Telephone Number

1	2
Month	Day

3	1
Month	Day

Fiscal Year

SEC Form 17-A

Form Type

06/14

Month Day
Annual Meeting

N.A.

Secondary License Type, If Applicable

CFD

Dept. Requiring this Doc

N.A.

Amended Articles Number/Section

Total Amount of Borrowings

12

Total No. of Stockholders

--

Domestic

--

Foreign

.....
.....

To be accomplished by SEC Personnel concerned

LCU

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Document ID

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE
AND
SECTION 141 OF THE CORPORATE CODE OF THE PHILIPPINES

1. Date of Event Reported: December 31, 2021
2. SEC Identification Number ASO95-004137
3. BIR Tax Identification No. 004-659-091-000
4. Exact Name of Issuer as it appears in the Charter: DMCI Project Developers, Inc.
5. Province, country or other jurisdiction of incorporation: Makati City, Philippines
6. Industry Classification Code: (SEC Use Only)
7. Address of Principal office and Postal Code: DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, 1233 Makati City
8. Issuer's telephone number and Area code: (632)810-77-58/888-3000
9. NOT APPLICABLE
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA:

Deferred Coupon-Paying Home Saver Bonds with an aggregate principal amount of up to P1.0 Billion

11. Are any or all of the securities listed on Stock Exchange?
Yes () No (x)
If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

12. Check whether the issuer:

- a) has filed the reports required to be filed by SEC 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of RSA and RSA Rule 11(a)-1 thereunder, and Section 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such report(s);
Yes () No ()
- b) has been subject to such filing requirements for the past ninety (90) days.
Yes () No ()

13. Aggregate market value of the voting stock held by non-affiliates:

**APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS
PROCEEDINGS DURING THE PRECEDING FIVE YEARS**

14. **NOT APPLICABLE**

Check whether the issuer has filed all the documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of the securities under a plan confirmed by a court or the Commission.

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the documents incorporated:

- a) Audited Financial Statements as of December 31, 2021 of DMCI Project Developers, Inc.
- b) Audited Financial Statements as of December 31, 2021 of DMCI Holdings, Inc.
- c) Corporate Governance (Part IV)
- d) Exhibits and Schedules (Part V)

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- f. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Affiliates) (Part II 6D, Annex 68-E, B)
- g. Amounts Receivable from / (Payable to) Related Parties which are eliminated during the consolidation of financial statements (Part II 6D, Annex 68-E, C)
- h. Intangible Assets – Other Assets (Part II 6D, Annex 68-E, D)
- i. Long-Term Debt (Part II 6D, Annex 68-E, E)
- j. Indebtedness to Related Parties (Long-term Loans from Related Companies) (Part II 6D, Annex 68-E, F)
- k. Guarantees of Securities of Other Issuers (Part II 6D, Annex 68-E, G)
- l. Capital Stock (Part II 6D, Annex 68-E, H)

PART I – BUSINESS

Item 1. Business Information

A. Business Development

- a) DMCI Project Developers, Inc. (the Company or “DMCI Homes”) was incorporated and registered with the SEC on April 27, 1995. The Company’s original name was DMCI Property Developers, Inc. On August 1, 1995, the Company’s name was changed to DMCI Project Developers, Inc. The Company was organized to carry out the business of a real estate developer.

DMCI Homes is wholly-owned subsidiary by DMCI Holdings, Inc.¹, a leading conglomerate in the Philippines with interests in construction, real estate, power, water, and mining. DMCI-HI is listed at the PSE with a market capitalization of ₱102.37 Billion as of December 31, 2021. One of the Company’s affiliates is D.M. Consunji Inc. (“DMCI”), a DMCI-HI wholly-owned subsidiary and one of the Philippines’ leading triple A rated general construction companies. Another affiliate is PSE-listed and DMCI-HI majority-owned subsidiary Semirara Mining and Power Corporation, the country’s largest coal-producing company, with a market capitalization of ₱90.75 Billion as of December 31, 2021.

The Company’s main activities include the development, management and selling of various real estate properties such as condominium units, subdivision lots, buildings, resorts and others. The Company’s business goal is to provide affordable residential units in urban friendly, serviced communities near places of work, study, and leisure. DMCI Homes endeavors to achieve objectives that advance the proposition of “profit with honor”, namely, to ensure customer satisfaction, sustainable investment growth, mutually beneficial relationships with business partners, environmental compliance, and career development of its people.

The Company’s subsidiaries and associates and its ownership in these subsidiaries and associates are summarized in the table below.

Company	Ownership	Date of incorporation
Wholly-Owned Subsidiaries		
Hampstead Gardens Corp.*	100.00%	May 24, 2000
DMCI Homes, Inc.**	100.00%	January 7, 1997
DMCI Homes Property Management Corp.	100.00%	July 25, 2007
DMCI-PDI Hotels, Inc.	100.00%	September 2, 2009
Zenith Mobility Solution Services, Inc.	100.00%	December 10, 2014
L&I Development Corporation***	100.00%	October 1, 2020
Subsidiaries which are more than 50%-owned		
Riviera Land Corp.	62.62%	April 17, 1996
Associates/Joint Ventures		

CSN Properties, Inc.	45.00%	July 17, 1992
Contech Products South (Acotec)	33.00%	September 18, 1997
Subic Water and Sewerage Company****	30.00%	November 24, 1996
RLC DMCI Property Ventures, Inc.*****	50.00%	March 18, 2019
DMC Estate Development Ventures, Inc*****	50.00%	June 4, 2021

- * *The corporate term expired on February 28, 2014.*
- ** *The corporate term expired on December 31, 2016.*
- *** *Date acquired by DMCI PDI*
- **** *Approximate percentage.*
- ***** *Date of execution of joint venture agreement.*

b) Business Activities of Subsidiaries and Associates

Almost all subsidiaries and associates of the Company are involved in the real estate business. The main activities of the Company's subsidiaries and associates are described below in greater detail:

Hampstead Gardens Corp. is a wholly-owned subsidiary of the Company. Its project, the Hampstead Gardens was launched in 2000 and has three MRBs and an HRB located in Sta. Mesa, Manila. This project is fully developed and completed, with 100% of units sold and turned over to homeowners.

DMCI Homes, Inc. was organized primarily to engage in real estate brokerage by means of offering advertising, soliciting, listing, promoting, negotiating purchase, exchange, mortgage, joint venture, or other acquisition or disposition of or encumbrance on, any kind of real estate, whether improved or unimproved, including houses, inns, lodging houses, dwellings, offices, recreation or other structure. DMCI Homes, Inc. has the exclusive right to market the project developments of the Company.

DMCI Homes Property Management Corp. is a wholly-owned subsidiary of the Company providing property management and aftersales services. It also serves to obtain feedback from the Company's buyers and rental tenants in order to provide solutions to property needs, maintain the property, and develop long-term relationships with tenants. DMCI Homes Property Management Corp. has the sole right to render property management and aftersales services to the Company.

DMCI-PDI Hotels, Inc. was organized to engage in the hotel business, including but not limited to the ownership of, establishment, maintenance and operation of hotels, condotels, apartelles, and similar establishments, as well as to engage in the development of, design, and implementation of hotel management systems or operations. DMCI-PDI Hotels, Inc. manages the Company's flagship condotel project, the Alta Vista de Boracay, situated in Brgy. Yapak, Malay, Aklan.

Zenith Mobility Solutions Services, Inc. was organized to engage in the installation, operation, and maintenance of elevators, escalators, moving walkways, and other similar equipment, including appurtenant thereof, and the sourcing, purchase or trading of parts and supplies necessary thereto.

L&I Development Corporation was incorporated to purchase, acquire and develop into a residential condominium project a portion of the parcels of land situated in Quezon City and to operate, manage, sell and/or lease the resulting condominium units and parking spaces therein.

Riviera Land Corp. is a real estate company which owns the 0.90-hectare parcel of land which was developed into the Manors at Celebrity Place. Launched in 2006 and located in Capitol Hills, Quezon City, this development is an English-inspired exclusive community comprising seven MRBs with 158 units. It is located near educational institutions and the country club facilities of Celebrity Sports Plaza. The project is fully developed and completed, with at least 98% of the units sold and 96% turned over to homeowners. Riviera Land Corp. owns a 30% interest in the project, while the Company holds 70.0%.

CSN Properties, Inc. was organized to be a vehicle for prospective condominium developments of the Company. It has not commenced commercial operations.

Contech Products South (Acotec) was organized to engage in the manufacturing of concrete panels and similar products. It has not commenced commercial operations.

Subic Water and Sewerage Company is a joint venture of the Company with Subic Bay Metropolitan Authority, Olongapo City Water District, and Cascal Services, Ltd. Its primary purpose is to provide potable water and sewerage services to residences of Olongapo City and Subic Bay Freeport.

RLC DMCI Property Ventures, Inc. is a joint venture between DMCI Project Developers, Inc. and Robinsons Land Corporation was incorporated to purchase, acquire and develop into a residential condominium project a portion of the parcels of land situated in Las Pinas City and and to operate, manage, sell and/or lease the resulting condominium units and parking spaces therein. Launched in December 2019, this development is a contemporary inspired community comprising of 3 HRBs located at the back of Robinsons Mall Las Pinas. DMCI – PDI owns 50% share in the company.

DMC Estate Development Ventures, Inc (DMC EDVI) is a joint venture between DCI Project Developers, Inc. and DMC Urban Property Developers Inc. Incorporated to purchase, acquire and develop parcels of land into condominium projects for residential and commercial uses. Each party will hold a 50% ownership interest in the joint venture.

- c) Any bankruptcy, receivership or similar proceeding- **NONE**
- d) Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business-**NONE**

B. Business of Issuer

a) Description of Registrant

i. Principal products or services

Medium-Rise Buildings - The development of mid-rise residential buildings in convenient locations is where the Company has achieved and continues to attain significant success. These low-density, resort-inspired projects are made up of three to seven storey MRBs with either walk-up or elevator facilities, or single-loaded corridor designs with garden atriums for ample lighting and ventilation.

High-Rise Buildings - Combining successful elements of its mid-rise developments with new techniques in construction, the Company's high-rise projects, ranging from 14 to 50 storey each building, possess attributes such as the single-loaded corridor design and garden atrium, while offering design improvements from previous projects, such as the installation of the Company's trademark Lumiventt design in all high-rise structures beginning with the Tivoli project. The Lumiventt building feature is achieved by placing three-storey-high openings called "sky patios" in front and behind HRB towers and through breezeways located on the left and right wings of each floor to allow the free flow of natural light and ventilation. DMCI Homes' high-rise developments are located near business and commercial centers in Metro Manila.

Hybrid - A community built with the resident's welfare in mind. Assembling its successful and iconic mid-rise residential building configuration with picturesque and towering high-rise buildings, DMCI Homes' hybrid developments provide resort-inspired homes to a wide array of clients. Each building configuration offers unique benefits, such as low-density and single-loaded corridor designs with garden atriums for mid-rise buildings, and the innovative Lumiventt design technology for high-rise structures. Every DMCI Homes hybrid development is adorned with lush landscapes and abundant amenities. These communities have developed in different parts of the city.

Residential Subdivisions - For the horizontal development segment of the real estate market, DMCI Homes offers its target market the choice of owning either open lots or house and lot properties. DMCI Homes' subdivisions are located in Taguig City, Cavite (Carmona) and Laguna (Cabuyao). Each development is designed with resort-inspired amenities,

lush greenery and wide avenues within safe and secure environments in close proximity to Metro Manila's major business centers.

Residential Leisure - *Alta Vista de Boracay*. Launched in 2007, it is the Company's first venture in leisure development, with 17 MRBs comprised of a total of 503 units, and is located in Brgy. Yapak, Boracay Island in Aklan. This development provides recreational facilities in a premium vacation site offering residential condominium-hotel services. Alta Vista de Boracay represents a significant product and service expansion for the Company. It is a 4-hectare property near Puca Beach on one side and the world-renowned White Beach on the other. Alta Vista de Boracay is the biggest condominium hotel development in the area. All of its operations, marketing, and management are handled by DMCI-PDI Hotels, Inc. The property is fully developed and completed.

Mixed Use/Township Development - *Acacia Estates*. Acacia Estates is a master plan integrating the Company's completed and ongoing projects in Taguig City into a township which provides residential areas, commercial areas, educational facilities, police and fire stations, and places of worship. Envisioned as the flagship development of the Company, this 100-hectare development will integrate mixed-residential communities of HRBs, MRBs, and sprawling subdivisions. Within the development will rise a two-hectare commercial hub catering primarily to residents of the Company's Taguig City projects and their guests.

- ii. Percentage of sales or revenue and net income contributed by foreign sales-Foreign sales contributed 13%, 13% and 26% to the Company's total sales by value in the year 2021, 2020 and 2019 respectively.
- iii. Distribution methods of the products or services-
The Company maintains a network of sales coordinators that assist customers at various project sites during the reservation process. Employees of DMCI Homes advise customers on financing options, documentation requirements, and loan application. Once a unit sold and delivered, the Company's Customer Care Service Team is ready to respond to technical questions and implement solutions when needed.

The Company's marketing research unit is in charge of monitoring and researching on competitor's latest product developments and prices. Likewise, the marketing research unit conducts general research on target markets and undertakes market testing to determine customer preferences and product concept viability.

The Company remains involved in the properties it develops and sells through its property management division, DMCI Homes Property Management Corp., which provides property management and after sales services until such time the property turned over to the homeowners, at

which point they may choose to retain DMCI Homes Property Management Corp. or switch to a third party property management firm. The property management division is a vehicle for the Company to obtain feedback from its buyers and rental tenants in order to provide solutions to their property needs, maintain the property, and develop long-term relationships with its tenants. Furthermore, the Property Management Division contributes to enhancing the Company's brand and reputation in the aftersales market.

iv. Status of any publicly-announced new product or service (e.g. whether in the planning stage, whether prototype exist), the degree to which the product design has progressed or whether further engineering is necessary. Indicate if completion of development of the product would require material amount of the resources of the registrant, and the estimated amount- **NONE**

v. Competition-

The country's middle income socio-economic group is emerging as the most promising real estate market, and this has intensified competition in the property development business for that particular market segment. The Company's sales growth in the recent years has made it one of the dominant players in the middle income residential market category, and its pioneering construction and development methods specifically in mid to hi-rise developments have been used as model by some competitors due to the success of these concepts.

To leverage against real estate groups positioned in the same market category, DMCI Homes maximizes its investments by drawing on the Company's strengths and resources as both developer and builder, enabling it to offer attractive, more reasonable prices than direct competition, and produce intrinsic value for home buyers without adversely affecting its profitability. Aside from offering competitively priced, high quality units, DMCI Homes ensures good property location and on time project completion.

For the same market category, the Company has several direct competitors with varying market strengths. Ayala Land, Inc. for instance, through Avida Land, has been successful due to being one of the first players in the middle market segment. Megaworld Corporation and SM Development Corporation, own the first and the second largest market share in the residential market respectively. Robinson Land Corporation and Cityland Development Corporation both possess a good track record of completed and successful projects to attract business. Vista Land and Lifescapes, Inc. and Filinvest Land, Inc., along with their completed projects in Metro Manila area, have also ensured market presence in other areas with their development in areas such as Davao and Batangas. Rockwell land Corporation focuses in the upper mid income level earners, while Century Properties Group has diverse portfolio of completed projects, ranging from office to medical properties

- vi. Sources and availability of raw materials and the names of principal suppliers;

The Company's major suppliers are as follows:

Supplier	Product
Capitol Steel Corporation Steel Asia Manufacturing Corporation Pag-asa Steel Works, Inc. Filipino Metals Corp	Deformed Round Bar (Rebar)
Republic Cement & Building Materials, Inc. Saturn Cement Marketing Crop	Cement
DM Consunji Inc	Ready Mixed Concrete
KC Electrical Innovation Inc.	Electrical
Supreme Steel Pipe Corp	PVC Pipes/Pipes
D Square Plumbing Supply Inc.	Tiles/T&B fixtures
American Wire and Cable Inc	Electrical wires
Gilas Manila Hardware Corp. Brave Trucking Inc	Plywood Aggregates

The Company's major subcontractors are as follows:

Subcontractor	Trade
Alpha Plumbing Works, Inc.	Plumbing and Sanitary/ Fire Protection
DM Consunji Inc	Dismantling works
Corrotech, Inc. JBLS Trading & Construction Aesthetics AZX Painting Services Aquadys Inc	Painting works
Goldpeak Construction & Dev't Corp	Rebar Works
Spec-Master Inc. Anvic Construction (Phils.) Inc.	Electrical works
CII AC Façade Phils, Inc Seapac Philippines, Inc.	Doors & Windows
Northlandia Enterprises	Kitchen Cabinet
Borja Construction Coordinates & Allied	Ventilation

- vii. Disclose how dependent the business is upon the single customer or a few customers, the loss of any or more of which would have a material adverse effect on the registrant's sales; Describe any major existing sales contracts- **Not Applicable**
- viii. Transactions with and/or dependence on related parties-
Aside from items listed in Item 12, the Company has no known transactions with and/or dependence on related parties.
- ix. Summarize the principal terms and expiration dates of all patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreement held; indicate the extent to which the registrant's operations depend, or are expected to depend, on the foregoing and what steps are undertaken to secure these rights- **Not Applicable**
- x. Need for any government approval of principal products or services. If government approval is necessary and the registrant has not yet received that approval, discuss the status of the approval within the government approval process- **None at the moment**
- xi. Effect of existing or probable governmental regulations on the business-
DMCI Homes operates a material part of its businesses in a regulated environment. DMCI Homes is subject to numerous environmental laws and

regulations relating to the protection of the environment and human health and safety. These include laws and regulations governing air emissions, water, and waste discharges, odor emissions, and the management and disposal of, and exposure to hazardous materials. DMCI Homes cannot predict what environmental or health and safety legislation or regulations will be amended or enacted in the future; how existing or future laws and regulations will be enforced, administered or interpreted; or the amount of future expenditures that maybe required to comply with these environmental or health and safety laws or regulations or to respond to environmental claims.

In addition, DMCI Homes is required to obtain licenses to sell before making sales or other disposition of housing and condominium units. Project permits and any license to sell maybe suspended, cancelled, or revoked by the Housing and Land Use Regulatory Board (HLURB) or by the courts upon its findings or upon a complaint from an interested party, and there can no assurance that the Company will receive the requisite approvals or licenses, or that such permits, approvals, licenses will not be cancelled or suspended. Any of the foregoing circumstances or events could affect the Company’s ability to complete project on time, within budget or at all, and could have a material adverse effect on its financial condition and results of the operations.

DMCI Homes through its construction and property management arms, keeps itself abreast of the latest technologies that enable it to implement existing sanitation, environment and safety laws and regulations at cost efficient means. It also continuously exerts earnest efforts to secure and maintain all relevant and material permits and licenses required under such laws and regulations for its subdivision and condominium projects.

- xii. Estimate of Amount Spent for Research and Development Activities and its percentage to revenues during 2020, 2019, and 2018 Fiscal Year- **None**
- xiii. Costs and Effects of Compliance and Environmental laws-
Costs vary depending on the size of a construction project. Failure to comply with the terms of the ECC (Environmental Compliance Certificate) can lead to imposition of fines and temporary cessation of operations.
- xiv. Total no. of Employees –
The Company has 1,690 employees as of December 31, 2021. Employees of the Company can be classified based on their position.

Position	No. of Employees
Rank and File	1,357
Junior- Senior Supervisor	227
Assistant Manager-Manager	78
Senior Manager- Vice President	25
Senior Vice President- President	3

The employees of the Company are non-unionized and are not covered by collective bargaining agreements. They receive supplemental benefits such as health care and benefit plan, dental care benefit plan, and group accident insurance coverage.

Item 2. Properties

Give the location and describe the condition of the principal properties (such as real estate, plant and equipment, mines, patents, etc.) that the registrant and the subsidiaries own. If the registrant does not have complete ownership of the property, for example, others also own the property or there is a mortgage or lien on the property, describe the limitations on ownership. Indicate the properties it leases, the amount of lease payment, expiration dates and terms or renewal options. Indicate the properties the registrant intends to acquire in the next twelve (12) months, the cost of such acquisitions, the mode of acquisitions (i.e. purchase, lease, or otherwise) and the sources of financing it expects to use. –

All properties are owned by the Company and its subsidiaries unless otherwise indicated as follows:

A. Land Inventory

In line with its goal of providing well-located residential options, DMCI Homes purchases properties within the Metro Manila. The Company's land development begins one to two years from property acquisition carrying costs, resulting in more competitive sales pricing.

Potential land acquisitions are assessed on the basis of strategic location, acquisition price relative to prevailing market prices, presence of competition in the area, shape of the lot, potential legal and technical hindrances to development, and local government requirements for development.

Based on the Company's development standards, the minimum land area required for the Company's five-storey mid-rise developments is one hectare, with a zonal classification of at least R-2 (medium density residential zone per National Building Code classification). Ten-storey and mid-rise developments have a minimum land area requirement of 10,000 square meters, with a zonal classification ranging from R-2 to R-3 (medium to high density residential zone per National Building Code classification). Highrise developments require a minimum land area of 2,000 square meters and a zonal classification of at least R-5 (very high density residential zone per National Building Code classification).

The Zoning classifications vary between different cities and their zoning ordinances; NBC was referenced to serve as standard/benchmark.

The table below enumerates the Company's current land inventory available for development.

Location	Sum of Land Area (sqm)
CAVITE	190,493
LAGUNA	139,962
RIZAL	17,833
BATANGAS	50,000
BULACAN	110,860
BENGUET	40,768
PAMPANGA	99,242
DAVAO CITY	10,943
CEBU CITY	56,488
ILOILO CITY	8,557
MANILA	10,282
QUEZON CITY	31,010
TAGUIG CITY	860,681
LAS PIÑAS	30,992
MAKATI CITY	7,200
PASAY	3,867
VALENZUELA	163,873
PASIG	18,457
MANDALUYONG CITY	5,915
CALOOCAN CITY	7,472
	1,864,894

The Company is currently exploring opportunities of diversification of its property developments in key urban centers in Northern Luzon and Western Mindanao regions. Future land acquisitions will be funded by debt financing and internally generated funds.

The Company owns its corporate headquarters, located at 1321 Apolinario St. Bangkal, Makati City. The property has a total land area of approximately one hectare, upon which stands a six-storey building with annex, with a total floor area of approximately 35,000 square meters.

B. Encumbrances

Certain parcel or parcels of land of the Company which are minor in size taking in consideration the total land holdings of the Company are subject to the proceedings arising out of the claims of certain individuals. While the results of the litigation cannot be predicted with certainty, the Company believes that the final outcome of these proceedings will not have a material adverse effect on the property, considering the nature of the claims asserted in the proceedings.

Properties of the Company in which particular projects have been created are subject to restrictions arising from the nature of the projects created over them. For instance, properties over which a condominium building has been constructed would have restrictions annotated on the title of such property arising from the master deed restrictions on the use of the property for condominium use.

C. Leased Properties

The Company has entered into lease contracts of its various residential and commercial units as well as undeveloped land within and outside Metro Manila.

For commercial leasing, the term of renewal and the expiration dates of the lease contracts vary. The expiration dates of the lease contracts depend on the agreement of both parties and may be subject to renewal. The amount of the lease payments also differs. It depends on different factors such as but not limited to the following: the prevailing lease payment for the commercial area, the expenses of business permits, other requirements imposed by the local government unit concerned, and the marketing needs of the Company. The lease of undeveloped land pertains to the Company's property in Bulacan , the lease period is for two (2) years subject to renewal upon mutual agreement of both parties.

For the year 2021, the Company offered regular lease and rent-to-own (RTO) program of its various residential properties. Regular leasing is for a minimum period of six (6) months and subject to renewal depending on the agreement of both parties. For rent to own, the lease is for a period of two years with the option given to tenant to convert to sale on or before the expiration of the lease period.

The total income from lease as of December 31, 2021 and December 31, 2020 are as follows :

Rental Income	2021	2020
Commercial	52,816,750	62,914,248
Residential (RTO)	10,484,375	-
Residential	26,541,172	11,907,675
Undeveloped Land	151,678,146	2,439,164
	241,520,444	77,261,087

Below are the location of leased properties as of December31, 2021 :

LOCATION	Property Name
TAGUIG	Birchwood
	Cedar Crest
	Cypress Towers
	Mahogany Place 3
	Royal Palm Residences
	Rose Wood Pointe
	Ivorywood
	Verawood Residences
	Maple Place
	Mulberry Residences
	Acacia Town Center
QUEZON CITY	Magnolia Place
	One Catilla Place
	Stellar Place
	The Amaryllis
	The Redwoods
	Viera Residences
	Zinnia Towers
PARANAQUE	Arista Place
	Raya Gardens Condominium
	Asteria Residences
	Calathea Place
	Oak Harbor
PASIG	Siena Park Residences
	East Raya Gardens
	Brixton Place
	Levina Place
	Mirea Residences
MANDALUYONG	Riverfront Residences
	Flair Towers
	Lumiere Residences
	Sheridan Towers
MANILA	Tivoli Garden Residences
	Illumina Residences
	Torre de Manila
LAS PINAS	Sorrel Residences
	Maricielo Villas
BAGUIO	Ohana Place Residences
	Outlook Ridge Residences
PASAY	Bristle Ridge
	La Verti
	Fairway Terraces
MUNTINLUPA	Rhapsody Residence
CAVITE	Mayfield Park Residences
	Alea Residences
DAVAO	Verdon Park
MAKATI	MN1 & MN2 Building
	Brio Towers

Item 3. Legal Proceedings

Except for those referred under Item 5, the Company is not aware of the occurrence, as of the date hereof and during the past five (5) years preceding this date, of any of the following events which it believes to be material to the evaluation of the ability or integrity of any of its directors, nominees for election as a director, or executive officers:

1. Any bankruptcy petition filed by or against any business of the director, nominee for election as director, or executive officer who was a general partner or executive officer either at the time of bankruptcy or within two years' prior that time
2. Any director, nominee for election as director, or executive officer being convicted by final judgement in a criminal proceeding, domestic or foreign, or being subject in his personal capacity to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses.
3. Any director, nominee for election as director, or executive officer being subject to any judgment, order, or decree, not subsequently reversed, vacated, or suspended, of any court of competent jurisdiction domestic or foreign, permanently or temporarily enjoining, suspending, barring, or otherwise limiting his/her involvement in any type of business, securities, commodities, or banking activities, and
4. Any director, nominee for election as director, or executive officer being found by domestic or foreign court of competent jurisdiction in a civil action, the Commission or equivalent foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, vacated, or suspended.

The Corporation has several litigation cases of which it is a party. However, most important of which are the following:

DMCI-PDI vs. BCDA and Northrail *Ad Hoc* Arbitral Tribunal

This is an arbitration case filed by the DMCI-PDI against the Bases Conversion Development Authority ("BCDA") and North Luzon Railways Corporation ("Northrail") to recover DMCI's capital infusion to BCDA amounting to P300,000,000.00. As a brief background, BCDA entered into a Joint Venture Agreement ("JVA") with the Philippine National Railways and certain Spanish corporations (collectively referred to as the "Foreign Group") on June 10, 1995 for the establishment of a mass transit and access system, particularly the establishment of a double-tract railway system between the International Airport in Clark Air Base and the surrounding areas including Metro Manila (the "Project"). Pursuant to the JVA, BCDA established Northrail for the purpose of constructing, operating, and managing the railroad system to serve Northern and Central Luzon.

In order to assist in the financing and implementation of the Project and to accelerate the privatization of Northrail, BCDA invited DMCI as a private investor. As a result, the parties amended the initial JVA on February 6, 1996 (“Amended JVA”) to include DMCI as a party to the agreement. In the Amended JVA, DMCI, under several conditions, agreed to infuse P200,000,000.00 (which later on increased to P300,000,000.00 as requested by Northrail) as part of the initial seed capital of Northrail. It was further agreed that the amount that DMCI contributed will be converted into equity when Northrail is privatized, in which Northrail will have to apply for the increase in its authorized capital stock. DMCI proceeded to deposit the P300,000,000.00 capital infusion in the Landbank account of Northrail.

However, the conditions agreed upon by the parties did not materialize. Northrail was not privatized and it subsequently withdrew its application to increase its authorized capital stock with the SEC. Moreover, BCDA used the deposits infused by the private investors to pay Northrail’s loan to Landbank. DMCI-PDI, as the nominee of DMCI, made repeated demands from BCDA and Northrail, beginning on September 27, 2000, to return the P300,000,000.00 it had paid as deposit for future subscription of the increase in capital stock of Northrail.

On August 15, 2005, DMCI-PDI served a Demand for Arbitration on BCDA and Northrail and, subsequently, filed a Petition to Compel Arbitration with the Regional Trial Court of Makati. BCDA and Northrail initially questioned the legal standing of DMCI-PDI to request for the return of the amount, given that DMCI-PDI was allegedly not a party to the amended JVA. The parties filed their respective motions and pleadings until the case reached the Supreme Court. On January 11, 2016, the Supreme Court upheld the legal standing of DMCI-PDI, as DMCI’s nominee, to claim the deposit from BCDA and Northrail and directed the parties to submit the case to arbitration.

In March 2019 to September 2019, discussions ensued between the parties and the constituted Arbitral Tribunal regarding the procedural orders and details, the terms of engagement, and the timetable. On November 13 and 14, 2019, the arbitration hearings were held. Finally, on February 21, 2020, the Arbitral Tribunal issued its Final Award and rendered judgment granting DMCI PDI’s claim for the return of its P300,000,000.00 deposit for future subscriptions with legal interest and ordering respondents BCDA and Northrail solidarily liable to pay the adjudged amounts to DMCI PDI.

Under Rule 11 of the Special Rules of Court on Alternative Dispute Resolution (“Special ADR Rules”), a claimant may petition the court to confirm a domestic arbitral award (a) at any time after the lapse of 30 days from its receipt of the arbitral award; or (b) at any time after a petition to vacate such arbitral award is filed by respondents, in opposition to the said petition. DMCI PDI received the Final Award on February 24, 2020.

Petition for Confirmation (RTC Makati)

On May 29, 2020, DMCI PDI filed its Petition for Confirmation of Final Award dated May 28, 2020 (“Petition for Confirmation”) with the Regional Trial Court in Makati City to enforce the Arbitral Tribunal’s Amended Final Award. In its Order dated July 6, 2020, the trial court found the Petition for Confirmation of Final Award sufficient in form and in substance.

On August 3, 2020, DMCI PDI received a copy of BCDA and Northrail’s Manifestation *Ad Cautelam* dated July 27, 2020 stating that they filed a Petition to Vacate Arbitral Award dated July 1, 2020 (“Petition to Vacate”) with the Regional Trial Court in Taguig City (“RTC Taguig”). BCDA and Northrail also questioned the jurisdiction of the Makati court over DMCI PDI’s Petition for Confirmation.

In its Order dated October 5, 2020, Branch 150 of RTC Makati denied DMCI PDI’s Petition for Confirmation and ruled that the resolution of BCDA and Northrail’s Petition to Vacate pending with Branch 266 of RTC Taguig involves a prejudicial issue to the Petition for Confirmation.

On October 15, 2020, DMCI PDI filed an Omnibus Motion for Reconsideration and Consolidation dated October 12, 2020 with Branch 150 of RTC Makati. In response, BCDA and Northrail then filed their Comment *Ad Cautelam* dated October 20, 2020.

On November 23, 2020, DMCI PDI filed a Motion for Inhibition asking the Presiding Judge, Hon. Elmo Alameda, of Branch 150 of RTC Makati to voluntarily inhibit himself from the case and desist from further hearing and deciding SP. Proc. No. M-6157. In its Order dated November 24, 2020, Branch 150 of RTC Makati granted DMCI PDI’s Motion for Inhibition and directed the Branch Clerk of Court to forward the entire record of SP. Proc. No. M-6157 to the Office of the Clerk of Court of Makati City for the re-raffling of the case to another branch of RTC Makati. Thereafter, on January 21, 2021, DMCI PDI filed an Urgent Motion to Transmit Case Record of even date, which the RTC Makati, Branch 150 merely noted in its Order dated January 25, 2021. As a result, DMCI PDI filed a Motion for Reconsideration dated February 9, 2021 asking RTC Makati, Branch 150 to, among others, allow the indexing and encoding only of the case record pertaining to the Petition for Confirmation of Final Award dated May 28, 2020 and Omnibus Motion dated October 12, 2020 and immediately transmit the relevant portions of the case record to the Executive Clerk of Court for re-raffle.

Following its receipt of RTC Taguig, Branch 266’s Resolution dated January 23, 2021 (see discussion below), DMCI PDI filed with the RTC Makati, Branch 150 a Supplement to Omnibus Motion dated February 18, 2021 informing the latter of the development and arguing that the dismissal of the Petition to Vacate: (a) affirmed and complemented DMCI PDI’s position that the RTC Makati first acquired and retained jurisdiction over the case; and (b) left DMCI PDI’s Petition for Confirmation of Final Award dated May 28, 2020 virtually unopposed.

The case was subsequently re-raffled to RTC Makati, Branch 233, presided by the Hon. Augusto Jose Y. Arreza. In a Resolution dated August 24, 2021, the trial court granted the Omnibus Motion and accordingly confirmed the Final Award. Aggrieved, petitioners filed an unverified Motion for Reconsideration dated October 21, 2021, to which DMCI PDI filed an Opposition dated November 8, 2021. As the subject Motion for Reconsideration was procedurally defective and a rehash of past arguments, the RTC Makati, Branch 233 denied the same in a Resolution dated December 3, 2021.

Thereafter, BCDA and Northrail filed with the Court of Appeals a Petition for *Certiorari* (With Prayer for Exemption from Payment of Docket and Other Legal Fees) dated December 20, 2021 assailing the RTC Makati, Branch 233's Resolutions dated August 24, 2021 and December 3, 2021. To date, the Court of Appeals has not given due course to the Petition.

Meanwhile, on January 27, 2022, DMCI PDI filed a Motion for Execution requesting the RTC Makati, Branch 233 to issue a writ of execution directing the implementation of the Final Award in favor of DMCI PDI.

On February 10, 2022, DMCI PDI received BCDA and Northrail's Comment dated February 4, 2022, praying for the denial of DMCI PDI's Motion for Execution on the ground, among others, that money claims for the satisfaction of a judgment award should first be filed before the Commission on Audit. In response, DMCI PDI filed on February 21, 2022 its Motion for Leave to File Reply dated February 18, 2022, and the Reply dated February 17, 2022.

Petition to Vacate (RTC Taguig)

As discussed above, BCDA and Northrail filed with the RTC Taguig City a Petition to Vacate the Final Award. On September 3, 2020, DMCI PDI filed a Motion to Dismiss dated August 28, 2020 seeking the dismissal of the Petition to Vacate. BCDA and Northrail then filed their Comment, to which DMCI PDI filed its Reply. Thereafter, the Petition to Vacate was docketed as Spec. Proc. Case No. 125 and assigned to Branch 266 of RTC Taguig.

On November 6, 2020, DMCI PDI filed a Motion for Early Resolution requesting the RTC Taguig, Branch 266 to grant DMCI PDI's Motion to Dismiss and dismiss BCDA and Northrail's Petition to Vacate. Thereafter, on February 11, 2021, DMCI PDI received Branch 266 of RTC Taguig's Resolution dated January 23, 2021 granting DMCI PDI's Motion to Dismiss. BCDA and Northrail then moved for reconsideration of this Resolution, in response to which DMCI PDI filed a Comment dated March 8, 2021. In an Omnibus Resolution dated May 17, 2021, the trial court denied BCDA and Northrail's Motion for Reconsideration.

Thereafter, on June 25, 2021, DMCI PDI received a copy of the Petition for *Certiorari* dated June 19, 2021 filed by BCDA and Northrail before the Court of Appeals, praying to annul and set aside the RTC Taguig, Branch 266's Resolution dated January 23,

2021 and Omnibus Resolution dated May 17, 2021. The Petition was docketed as CA-G.R. SP No. 169497 and raffled to the Court of Appeals, Fourteenth Division, where it pends to date. However, the Court of Appeals has not yet given due course to the Petition.

DMCI-PDI and URPHI vs. PRHC

G.R. No. 202751

Supreme Court, Manila

This is an action filed by Philippine Realty Holdings Corporation (“PRHC”) against Universal Rightfield Property Holdings, Inc. (“URPHI”), Universal Leisure Corporation (“ULC”) and the Company to (a) recover the balance of P56,207,800.00, plus interest at 3% per month, representing the purchase price of 14 condominium units and two storage units at the 34th Floor, West Tower, Philippine Stock Exchange Center (“Condominium Units”), as well as several parking slots in the same building, which PRHC sold to ULC; and (b) nullify the assignment to ULC of URPHI’s and the Company’s receivables from PRHC. As a result of a failed joint venture project among PRHC, URPHI and the Company, URPHI and the Company acquired certain receivables from PRHC, which URPHI and the Company assigned to ULC. ULC then sought to setoff these receivables against the unpaid balance of the purchase price for the Condominium Units and parking slots.

In its Decision dated February 19, 2004, the Regional Trial Court (“RTC”) rendered judgment in favor of the Company, URPHI and ULC, and against PRHC rescinding the joint venture agreement and its amendment. The RTC thereafter issued an Order dated May 6, 2004 amending its Decision by ordering PRHC to (a) deliver the subject titles “free from all liens and encumbrances; (or) (o)therwise ... return to ULC the amounts which have been paid including what have been deemed paid over the condominium units and parking spaces”; and (b) cause the release of the remaining funds in favor of the Company and URPHI as a result of the rescission of the joint venture agreement.

PRHC appealed the RTC’s Decision to the Court of Appeals, but the appellate court affirmed the trial court’s judgment in a Decision dated December 27, 2011. The Court of Appeals, however, decreased the RTC’s award of attorney’s fees to the Company, URPHI and ULC to only P50,000.00 each. PRHC moved for reconsideration of the Court of Appeals’ Decision, while the Company and URPHI moved for its partial reconsideration praying for the reinstatement of the RTC’s full award of attorney’s fees. The Court of Appeals denied both motions in its Resolution dated July 26, 2012.

PRHC filed with the Supreme Court a Petition for Review dated August 23, 2012, which was docketed as G.R. No. 202751. The Company and URPHI also filed with the High Court a Petition for Review dated August 28, 2012, which was docketed as G.R. No. 202772, assailing the Court of Appeals’ ruling decreasing the award of attorney’s fees.

In its Resolution dated September 17, 2012, the Supreme Court denied the Company's and URPHI's Petition. The Supreme Court later on issued its Entry of Judgment dated October 31, 2012 in G.R. No. 202772.

In its Resolution dated April 24, 2017 in G.R. No. 202751, the Supreme Court dismissed PRHC's Petition and affirmed the judgments of the lower courts. PRHC moved for reconsideration of the Resolution dated April 24, 2017, but ULC, the Company, and URPHI opposed the motion.

On January 24, 2018, the Company and URPHI moved for the early resolution of PRHC's motion for reconsideration. On February 2, 2018, ULC likewise moved for the resolution of the motion for reconsideration. However, as of this date, PRHC's motion for reconsideration is still pending resolution by the Supreme Court.

Annabelle Abaya, et al. vs. Isidro Consunji, et al.

SEC No. MC 03-075

National Capital Regional Trial Court, Branch 211, Mandaluyong City

This case is an intra-corporate dispute filed by Annabelle Abaya and several other plaintiffs (collectively, "plaintiffs") against the Company, D.M. Consunji, Inc. ("DMCI"), Isidro Consunji, Ma. Edwina Laperal, and Jose Merin (collectively, "defendants") for breach of contract and/or annulment of contract, specific performance, accounting, reimbursement, and damages, with applications for receivership and preliminary attachment.

On October 28, 2014, plaintiffs, along with defendant Atty. Bayani K. Tan, filed a Joint Motion to Dismiss dated October 28, 2014 praying for the dismissal of the case only insofar as defendant Atty. Tan was concerned.

On February 11, 2015, the trial court issued an Order of even date (a) granting the Joint Motion to Dismiss filed by plaintiffs and Atty. Tan; and (b) dismissing the case against Atty. Tan but without ruling on the cross-claims against him. After defendants filed a Manifestation and Motion dated March 23, 2015 asking the trial court to direct Atty. Tan to participate in the subsequent proceedings, the trial court issued an Order dated July 1, 2015 belatedly mentioning that its Order dated February 11, 2015 also dismissed defendants' cross-claims against Atty. Tan (see further discussion below).

On August 1, 2017, summons was served on defendant Lozano at his new residence at Ayala Alabang Village, Muntinlupa City. On August 30, 2017, defendant Lozano filed his Answer with Counterclaims and Cross-claim of even date.

On October 10, 2017, defendants (a) served on defendant Lozano Interrogatories of even date and a Request for Admission dated October 9, 2017; and (b) filed with the trial court a Motion for Production of Documents dated October 10, 2017.

In a Motion dated July 15, 2021, defendants DMCI, DMCI PDI, Mr. Consunji and Ms. Laperal asked the court to refer the case to mediation. However, this was denied in an Order dated November 21, 2021. A status conference was held on February 22, 2022 where complainants were directed to manifest at the next status conference on April 5, 2022 who among them are still willing to pursue the case.

Except for the following, none of the directors, executive officers and nominees for election as directors of the Corporation is subject to any pending criminal cases:

**(1) Pp. vs. Isidro A. Consunji, et. al.
Criminal Case No. Q-02-114052
Regional Trial Court -Quezon City, Branch 78–**

This is a complaint for violation of Article 315(2)(a) of the Revised Penal Code, as qualified by Presidential Decree No. 1689 was filed in RTC-QC Branch 78 as Criminal Case No. Q-02-114052 pursuant to a resolution of the Quezon City Prosecutor dated December 3, 2002 in I.S. No. 027259 finding probable cause against the directors and officers of Universal Leisure Club (ULC) and its parent company, Universal Rightfield Property Holdings, Inc., including Isidro A. Consunji as former Chairman, and Ma. Edwina C. Laperal as former director of ULC. Complainants claim to have been induced to buy ULC shares of stock on the representation that ULC shall develop a project known as “a network of 5 world clubs.”

The case was re-raffled to RTC-QC Branch 85 (the “Court”). On January 10, 2003 respondents filed their Motion for Reconsideration on the resolution dated December 3, 2002 recommending the filing of the complaint in court, which was granted on August 18, 2003. Accordingly, a Motion to Withdraw Information was filed in Court. On September 11, 2003, complainants’ sought reconsideration of the resolution withdrawing the information, but was denied by the City Prosecutor. By reason of the denial, Complainants’ filed a Petition for Review with the Department of Justice (DOJ) on August 26, 2005.

Meanwhile, the Court granted the withdrawal of information on June 6, 2005. Complainants filed a Motion for Reconsideration and Urgent Motion for Inhibition, but were both denied by the Court in its Omnibus Order dated November 29, 2005. Thereafter, a Notice of Appeal was filed by the complainants, but was ordered stricken out from records by the Court for being unauthorized and declaring the Omnibus Order final and executory in its Order dated February 22, 2007. The Petition for Review, however, filed by the Complainants with the DOJ on August 26, 2005 is pending to date.

**(2) Rodolfo V. Cruz, et. al. vs. Isidro A. Consunji, et. al.
I.S. Nos. 03-57411-I, 03-57412-I, 03-57413-I, 03-57414-I,
03-57415-I, 03-57446-I and 03-57447-I
Department of Justice, National Prosecution Service–**

These consolidated cases arose out of the same events in the immediately above-mentioned case, which is likewise pending before the DOJ.

In its 1st Indorsement dated December 9, 2003, the City Prosecutor for Mandaluyong City, acting on a motion for inhibition filed by complainants, through counsel, recommended that further proceedings be conducted by the DOJ. In an order dated February 3, 2004, the DOJ designated State Prosecutor Geronimo Sy to conduct the preliminary investigation of this case. The last pleading filed is a notice of change of address dated June 27, 2008 filed by complainants' counsel. This case remains pending to date.

(3) Sps. Andrew D. Pope and Annalyn Pope vs. Alfredo Austria, et al.
NPS Docket No. XV-INV-14K-01066
Office of the City Prosecutor, Taguig City

**Noel A. Laman and Ma. Pilar M. Pilares-Gutierrez vs. Sps. Andrew D. Pope
And Analyn Pope**
NPS Docket No. XV-16-INV-15F-00436
Office of the City Prosecutor, Taguig City

This involves a complaint dated November 6, 2014 for syndicated estafa filed against certain directors of the Corporation, namely Messrs. Isidro A. Consunji, Jorge A. Consunji, Ma. Edwina C. Laperal, Alfredo A. Austria, Victor S. Limlingan and certain directors of D.M. Consunji, Inc. ("DMCI"), and the Corporation's Corporate Secretary and Assistant Corporate Secretary, Atty. Noel A. Laman ("Atty. Laman") and Atty. Ma. Pilar Pilares-Gutierrez ("Atty. Gutierrez"). The complainants alleged that DMCI failed to deliver the transfer certificate of title over the parcel of land they bought in Mahogany Place III, one of the developments of DMCI-PDI.

Attys. Laman and Gutierrez filed a Complaint-Affidavit dated June 9, 2015, counter-charging the Spouses Andrew and Annalyn Pope ("Spouses Pope") for the crime of Perjury which was allegedly committed on November 2014 to February 2015. Spouses Pope filed a Motion to Reopen Preliminary Investigation and to Admit Counter-Affidavit dated September 16, 2015. The Office of the City Prosecutor for Taguig City issued an Order dated September 23, 2015, granting the Motion of Spouses Pope.

In a Joint Resolution dated February 16, 2016, the Office of the City Prosecutor dismissed the Complaint-Affidavit dated November 6, 2014 of complainants Spouses Pope, because of their failure to show the element of deceit as would establish probable cause to indict the respondents for syndicated estafa. The Office of the City Prosecutor likewise dismissed the counter-charges for Perjury against Spouses Pope due to lack of merit.

Spouses Pope and Attys. Laman and Gutierrez filed their respective Petitions for Review both dated May 6, 2016 with the Department of Justice (“DOJ”), seeking to reverse and set aside the Office of the City Prosecutor’s Joint Resolution dated February 16, 2016 insofar as it dismissed their respective complaints. The impleaded officers and directors filed their Opposition on May 26, 2016. Spouses Pope likewise filed their Comment dated May 31, 2016. Attys. Laman and Gutierrez then filed their Motion for Leave to File Reply and the Reply dated June 10, 2016. The review is still pending with the DOJ.

(4) Maria Soledad Indoyon vs. Alfredo R. Austrial, et al.

NPS Docket No. XV-12-INV NO. 17-A-0077 - Violation of par. (b), (c) & (f) of Sec. 9, PD. 957

**NPS Docket No. XV-12-INV NO. 17-A-0076 – Grave Coercion
Office of the City Prosecutor, Parañaque City**

Complainant instituted two (2) before the City Prosecutor of Paranaque City, which, however, stemmed from a single act.

The complainant is a purchaser of a unit and parking slot in Raya Gardens Condominium. However, due to the failure of complainant to comply with the terms of payment of the parking slot, the Company rescinded the contract to sell.

The same parking slot was subsequently sold to another party. Despite notices to vacate, the complainant refused to surrender the parking slot and hence, the Company was constrained to exercise its right to repossess the parking slot.

By virtue of this repossession, the complainant instituted the above –stated criminal suits.

The officers of the company have already filed their Joint Counter-Affidavit.

Item 4. Submission of Matters to a Vote of Security Holders

Except for the matters taken up during the Annual Meeting of Stockholders, there was no other matter submitted to a vote of security during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer’s Common Equity and Related Stockholder Matters

1) Capital Structure

As of December 31, 2021, the Company's authorized capital stock is P5,000,000,000 divided into 5,000,000,000 shares with a par value of 1.00 peso per share out of which 3,487,727,328 shares have been subscribed and fully paid.

2) Holders

As of March 15, 2022, the stockholders of the Company are the following:

Title of Class	Name of Shareholder	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	DMCI Holdings, Inc. 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City	2,982,861,747	Filipino	85.52%
Common	D.M. Consunji, Inc. DMCI Plaza Building, 2281 Chino Roces Avenue Extension, Makati City*	504,862,578	Filipino	14.48%
Common	Isidro A. Consunji	1,000	Filipino	<0.01%
Common	Jorge A. Consunji	1,000	Filipino	<0.01%
Common	Ma. Edwina C. Laperal	1,000	Filipino	<0.01%
Common	Alfredo R. Austria	1	Filipino	<0.01%
Common	Adrian Crisanto Calimbas	1	Filipino	<0.01%
Common	Ma. Cristina C. Gotianun	1	Filipino	<0.01%
Common	Herbert M. Consunji	1	Filipino	<0.01%
Common	Honorio Reyes-Lao	1	Filipino	<0.01%
Common	Francisco F. Del Rosario, Jr.	1	Filipino	<0.01%

The aggregate number of shares of common stock directly and indirectly owned by the directors and executive officers listed above, as of March 15, 2022 was 3,006 or approximately 0.000086% of the Company's outstanding shares of common stock.

** On April 7, 2014, D.M. Consunji, Inc. declared its shares in the Company as property dividends in the amount of ₱504,862,578.00 in favor of DMCI Holdings, Inc. The SEC approved the property dividend declaration on September 9, 2014. The Certificate Authorizing Registration for the transfer of shares is still pending with the Bureau of Internal Revenue. D.M. Consunji, Inc. is a wholly-owned subsidiary of DMCI Holdings, Inc.*

Except for the above shareholders, no other person has any shares in the Company.

3) Dividends

The Company is authorized under Philippine law to declare dividends, subject to certain restrictions. The Company's Board of Directors is authorized to declare cash dividends. Declaration of cash and property dividends does not require any further approval from the Company's shareholders, except that the distribution of property dividends requires the approval of the Securities and Exchange Commission. On the other hand, declaration of stock dividends requires the approval of shareholders

representing at least two-thirds of the Company's outstanding capital stock. Dividends may be declared only from unrestricted retained earnings.

The Company and its subsidiaries have not adopted any dividend policy. For the dividends declared by the Company and its subsidiaries for previous three years are as follow: 2021 - ₱1.25 Billion 2020 - ₱1.25 Billion 2019 – ₱1.27 Billion.

Item 6. Management's Discussion and Analysis of the Results of the Operation

(A) FULL YEAR PERIOD DECEMBER 31, 2021 VS DECEMBER 31, 2020

(In millions PHP)	Years Ended December 31		Variance	
	2021	2020	In Php	In %
REVENUE				
Real estate sales	24,102	15,854	8,248	52%
Contractor's revenue	237	119	118	99%
Hotel services	2	20	(18)	-90%
Property management services	225	205	20	10%
Elevator and maintenance services	92	69	22	32%
	24,657	16,267	8,390	52%
COSTS				
Real estate sales	17,278	12,845	4,433	35%
Contractor's revenue	218	109	108	99%
Hotel services	3	24	(20)	-85%
Property management services	104	90	14	16%
Elevator and maintenance services	67	52	14	27%
	17,670	13,121	4,550	35%
GROSS PROFIT	6,987	3,146	3,840	122%
GENERAL AND ADMINISTRATIVE EXPENSES	2,414	2,172	242	11%
OTHER INCOME				
Finance Income	341	363	(21)	-6%
Finance costs	(118)	(46)	(71)	154%
Equity in net earnings	45	32	14	43%
Other Income	1,239	742	497	67%
	1,508	1,090	418	38%
INCOME BEFORE INCOME TAX	6,081	2,064	4,016	195%
PROVISION FOR INCOME TAX	892	658	234	36%
NET INCOME	5,189	1,407	3,782	269%

<i>(In millions Php)</i>	Years Ended December 31		Variance	
	2021	2020	In Php	In %
Selected Balance Sheet Data				
Cash and cash equivalent	4,472	4,766	(294)	-6%
Real estate inventories	41,236	40,915	322	1%
Accounts Receivables	27,986	21,752	6,234	29%
Other Assets	8,351	8,414	(63)	-1%
Total Assets	82,046	75,847	6,199	8%
Loans payable - current	5,710	2,832	2,878	102%
Loans Payable - noncurrent	26,924	25,483	1,442	6%
Accounts and other payables	22,176	24,379	(2,203)	-9%
Total Liabilities	54,811	52,694	2,116	4%
Attributable to equity holders of the Parent Company				
DMCI-PDI	27,153	23,072	4,082	18%
Non-controlling interests	81	81	0	0%
Total Equity	27,235	23,153	4,082	18%

Results of Operations

The Company's net income jumped high at 269% from ₱1,407 million for the whole year of 2020 to ₱5,189 million in 2021. Excluding the nonrecurring income of ₱640 million from remeasurement of its deferred tax liabilities because of CREATE Act and one-time gain on sale of land, the company posted ₱4,540 million core net income for the year.

Revenues increased by 52% from Php 16.27 billion to a record high of Php 24.66 billion because of higher construction accomplishments and uptick in new accounts that qualified for revenue recognition

Gross margin improved from 19% to 28% following the normalization of dress-up costs for ready-for-occupancy (RFO) units.

Operating expenses rose by 11% from Php 2.17 billion to Php 2.41 billion on higher manpower costs, association dues and utilities from unsold RFO units, taxes and licenses.

Other income and equity in net earnings, spiked by 66% from Php 773 million to Php 1,284 million because of unit cancellations, forfeitures and rental income.

Sales and reservations slipped by 3% from 5,353 to 5,180 residential units and parking slots following 9% sales slowdown in residential units (2,959 vs 3,267) and a 6% upswing in parking slots sold (2,221 vs 2,086). This translated to a flattish total sales value of ₱19.65 billion from ₱19.58 billion in 2020. The slowdown is largely attributable to slow demand recovery, strict mortgage lending and restricted mobility in NCR and other key areas. Cushioning the sales decline is the 10% increase in average selling price, which improved from ₱5.5 million to ₱6.0 million.

From two projects in 2020, DMCI Homes was only able to launch one amid the pandemic. The company launched 2,508 residential units, 12 percent higher than the 2,247 units launched in 2020. Projected total sales revenue is at ₱16 billion, a 7-percent higher year-on-year from ₱15 billion. Projects launched this year is The Oriana in Quezon City.

Financial Condition

The Company's total assets stood at ₱82.05 billion as of December 2021, 8% higher than ₱75.85 billion in December 2020. This is attributable to the increase in Receivables and Investments.

Accounts Receivables decreased is due to increase in collections resulting from the gradual ease up of community quarantine and the end of Bayanihan Act imposed last year.

Contract Assets increased by 62% due to additional revenue recognitions for the year. Investment in associates and joint ventures rose by 12% due to additional investment made for a new joint venture agreement with DMC Urban Property Developers, Inc.

Total liabilities increased from ₱52.69 billion to ₱54.81 billion brought about by ₱4.30 billion net additional loan availed by the Company for the year.

Total borrowings registered at ₱32.63 billion. Debt to equity is at 2.01:1, while current ratio is at 3.17:1

Return of equity was at 20.66% and return of assets at 6.57%.

Capital Expenditures

The Company spent a total of P15.76 Billion on capital expenditures for 2021. 90% was spent on residential projects, 8% on land acquisition and 2% for equipment.

The Company shall continue to provide best-in-class residential units in urban friendly, serviced communities, targeting upper mid-income individuals and families not only in Metro Manila but also throughout the Philippines.

The Company launched one project in 2021 as against two the prior year. The slowdown was due to the combined effect of sluggish demand, substantial inventory and delayed permit issuance. Located in Quezon City, The Oriana has residential units with estimated sales revenue of ₱16.1 billion, 7% higher than ₱15.1 billion last year.

Any Known Events, Trends or Uncertainties (material impact on liquidity)

Economic and infrastructure developments in the country may affect construction business; Interest rate movements may affect the performance of the real estate industry. The COVID-19 containment measures and emergency powers declared by the Philippine government have resulted in work disruptions, lower demand and the extension on payment due dates in real estate industry.

Event that will trigger direct or contingent financial obligations

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

All material off balance sheet transactions, arrangements, obligations, (including contingent obligations) and other relationships of the Company with unconsolidated entities or other person created during the period – NONE

Any known trends, events of uncertainties (material impact on sales)

The pandemic imposes an impact on sales due to the potential decline in confidence of buyers to commit to large purchases such as residential units as well as a possible decline in sales to foreign investors.

We are unable to determine at this time the full effect of the COVID-19 pandemic on our consolidated financial position, performance and cash flows given the country's gradual transition to the new normal. We will continue to monitor, assess and adapt to the situation as it stabilizes.

Causes for any material changes (+/- 5% or more) in the Financial Statements

Income Statement items – For the year ended December 31, 2021 and 2020

Revenues increased by 52% driven by higher construction accomplishments and uptick in new accounts that qualified for revenue recognition

Contractor revenue increased by 99% due to higher construction accomplishment this year.

Hotel services plunged by 90% as the island was closed to tourists for most part of the year

Property management grew by 10% following the increase in RFO projects and upward rate adjustment to cover additional manpower deployment.

Elevator maintenance improved by 32% due to increase in spare parts sale and increase in new contracts from the year.

Cost of sales increased by 35% as a result of higher sales revenue recognized for the year, although it advanced at slower pace in relation to revenues due to absence of dress up cost this year for units completed in prior years. Beginning 2020, the Company started to dress up all units at RFO date regardless of clearance status of unit owners.

Operating expenses rose by 11% from Php 2.17 billion to Php 2.41 billion on higher manpower costs, association dues and utilities from unsold RFO units, taxes and licenses.

Finance Income decreased by 6% due to lower yield and lower short-term investment this year.

Finance cost increased by 154% mainly due to decreased in capitalization rate which is based on Construction in Progress and RFO recognized for the year.

Equity in net earnings increased by 43% due to higher contribution of RLC DMCI Property Ventures, Inc (RDPVI)

Other income spiked by 67% due to unit cancellations, forfeitures and rental income.

Balance Sheet items – As of December 2021 vs 2020

Cash and cash equivalent decreased by 6% mainly due to payment of CAPEX offset by net cash inflow from operations.

Accounts Receivables decreased by 37% mainly due to increase in collections resulting from the gradual ease up of community quarantine and the end of Bayanihan Act imposed last year.

Contract Assets increased by 62% due to additional revenue recognitions for the year.

Investment in associates and joint ventures rose by 12% due to additional investment made for a new joint venture agreement with DMC Urban Property Developers, Inc.

Decreased of Property Plant and Equipment by 11% is due to depreciation expense for the period.

Deferred tax assets increased by 12% coming from accrued expenses.

Accounts and other payables decreased by 8% due to payments of accounts payable and accrued operating expenses and lower interest payable and other accrued expenses.

Loans payable increased by 15% due to additional loan availment for the year.

Customers deposits and Contract liabilities decreased by 12% mainly due to realization of revenues and receivables for the year.

Liabilities for purchased land decreased by 22% due to payments of liabilities to landowners.

Income tax payable decreased by 99% due to lower tax rate because of CREATE Act

Pension liability decreased by 39% mainly due to change in actuarial assumptions

Deferred tax liabilities increased by 8% due to timing difference between tax and book basis of accounting for real estate transactions.

Other noncurrent liability decreased by 8% due to higher commission payout for the year

Any significant Elements of Income or Loss

The operating activities of the Company are carried uniformly over the calendar year. There are no significant elements of income or loss that did not arise from the Company's continuing operations.

Seasonal Aspects that has material Effect on the FS

There are also no seasonal aspects affecting the Company's financial condition and results of operations.

Performance Indicators

Financial Data	December 2021	December 2020
Gross Revenues	₱24.66 billion	₱16.27 billion
EBIT	5.86 billion	1.75 billion
EBITDA	6.32 billion	2.19 billion
Net Income	5.19 billion	1.41 billion
Earnings per share	1.488	0.403
Current ratio	3.17:1	3.34:1
Debt-to-equity ratio	2.01:1	2.28:1
Asset-to equity ratio	3.01:1	3.28:1
Return on Assets	6.57%	1.92%
Return on Equity	20.66%	6.11%
Solvency Ratio	0.10:1	0.04:1
Interest Coverage Ratio	3.84:1	1.18:1
Debt Service Coverage Ratio	0.83:1	0.18:1

(B) FULL YEAR PERIOD DECEMBER 31, 2020 VS DECEMBER 31, 2019

(In millions PHP)	Years Ended December 31		Variance	
	2020	2019	In Php	In %
REVENUE				
Real estate sales	15,854	18,074	(2,220)	-12%
Contractor's revenue	119	-	119	
Hotel services	20	256	(236)	-92%
Property management services	205	190	15	8%
Elevator and maintenance services	69	67	2	3%
	16,267	18,587	(2,320)	-12%
COSTS				
Real estate sales	12,845	12,950	(105)	-1%
Contractor's revenue	109	-	109	
Hotel services	24	140	(116)	-83%
Property management services	90	80	11	13%
Elevator and maintenance services	52	37	15	41%
	13,121	13,206	(86)	-1%
GROSS PROFIT	3,146	5,380	(2,234)	-42%
GENERAL AND ADMINISTRATIVE EXPENSES	2,172	2,428	(256)	-11%
OTHER INCOME				
Finance Income	363	464	(101)	-22%
Finance costs	(46)	(133)	86	-65%
Equity in net earnings	32	58	(26)	-45%
Other Income	742	1,118	(376)	-34%
	1,090	1,507	(417)	-28%
INCOME BEFORE INCOME TAX	2,064	4,460	(2,395)	-54%
PROVISION FOR INCOME TAX	658	1,365	(707)	-52%
NET INCOME	1,407	3,095	(1,688)	-55%

(In millions Php)	Years Ended December 31		Variance	
	2020	2019	In Php	In %
Selected Balance Sheet Data				
Cash and cash equivalent	4,766	5,897	(1,131)	-19%
Real estate inventories	40,915	36,901	4,013	11%
Accounts Receivables	21,752	20,197	1,555	8%
Other Assets	8,414	8,071	344	4%
Total Assets	75,847	71,066	4,781	7%
Loans payable - current	2,832	8,262	(5,430)	-66%
Loans Payable - noncurrent	25,483	17,524	7,958	45%
Accounts and other payables	24,379	22,182	2,197	10%
Total Liabilities	52,694	47,968	4,726	10%
Attributable to equity holders of the Parent Company				
DMCI-PDI	23,072	22,998	74	0%
Non-controlling interests	81	100	(18)	-18%
Total Equity	23,153	23,098	55	0%

Results of Operations

The Company's full year net income fell by 55% from ₱3.09 billion in 2019 to ₱1.41 billion in 2020. Excluding the nonrecurring loss from the sales cancellations of Verdon Parc in Davao and one-time gain on sale of land, the company's core net income amounted to ₱1.97 billion, a 36% slide from last year.

Sales and reservations slid to 5,353 residential units and parking slots, a 50% decline from 10,628 in 2019. This translated to a total sales value of ₱19.6 billion, which is 47% lower year-on-year. The slowdown is due to the combined effect of market softening, lower project launches and migration of sales activities to online channels brought by the pandemic. Cushioning the sales decline is the 4% increase in average selling price, which improved from ₱5.3 million to ₱5.5 million.

Revenues for the year slid by 12% from ₱18.59 billion last year to ₱16.27 billion this year. The slowdown is brought about by lower construction accomplishments and delay in collections resulting from suspension of non-essential business operations in the first half of the year and Bayanihan law. Sales cancellation from Verdon Parc in Davao further dragged down revenue for the year. Further to the decline of revenues, lower margins due to higher construction costs related to the dress-up of units completed and recognized in prior years.

From four projects in 2019, DMCI Homes was only able to launch two amid the pandemic because of the suspension of non-essential work in the first semester and staggered work arrangement in government offices after the lockdowns. Securing permits for projects outside Metro Manila was also hampered by COVID-19 travel protocols. The company launched 2,247 residential units, 65 percent lower than the 6,367 units launched in 2019. Projected total sales revenue is at ₱15 billion, a 64-percent decline year-on-year from ₱42 billion.

Finance income decreased by 22% from ₱463.77 million to ₱362.69 million in 2020 mainly due to lesser income earned from money market placements as a result of lower rates on short term time deposits for the year.

34% decrease in other income is mainly due to decrease in income from forfeitures on sales cancellations and decrease in penalty charges.

Financial Condition

The Company's total assets increased by 7% from ₱71.07 billion to ₱75.85 billion. This is attributable to the increase in Real Estate Inventories and Receivables.

11% increase in Real Estate Inventories is mainly due to new land acquisitions and development costs of ongoing projects.

Accounts Receivables increased by 8% due to lower collections due to Bayanihan Act moratorium.

19% increase in Property Plant and Equipment is due to additional purchases of construction equipment and formworks.

Total liabilities increased from ₱47.97 billion to ₱52.69 billion brought about by ₱3.00 billion net additional loan availed by the Company for the year.

34% increase in Trade Payables is mainly due to accrual of project costs and dividends payable.

Advance collection received from customers compared to actual construction accomplishment also contributed to the increase in Customers Deposit and Contract Liabilities of 8%.

Total borrowings registered at ₱28.31 billion. Debt to equity is at 2.28:1, while current ratio is at 3.34:1

Return of equity was at 6.11% and return of assets at 1.92%.

Capital Expenditures

The Company spent a total of ₱14.42 billion on capital expenditures for 2020. 76% was spent on residential projects, 20% on land acquisition and 4% for equipment.

The Company shall continue to provide best-in-class residential units in urban friendly, serviced communities, targeting upper mid-income individuals and families not only in Metro Manila but also throughout the Philippines.

The Company was only able to launch two amid the pandemic because of the suspension of non-essential work in the first semester and staggered work arrangement in government offices. Located in Acacia Estate in Taguig City, Alder Residences was launched in August while Camden Place in Manila was launched in November. The 2 projects have 2,247 residential units with projected sales revenue of ₱15 billion.

Any Known Events, Trends or Uncertainties (material impact on liquidity)

Economic and infrastructure developments in the country may affect construction business; Interest rate movements may affect the performance of the real estate industry. The COVID-19 containment measures and emergency powers declared by the Philippine government have resulted in work disruptions, lower demand and the extension on payment due dates in real estate industry.

Event that will trigger direct or contingent financial obligations

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

All material off balance sheet transactions, arrangements, obligations, (including contingent obligations) and other relationships of the Company with unconsolidated entities or other person created during the period – NONE

Any known trends, events of uncertainties (material impact on sales)

The pandemic imposes an impact on sales due to the potential decline in confidence of buyers to commit to large purchases such as residential units as well as a possible decline in sales to foreign investors.

We are unable to determine at this time the full effect of the COVID-19 pandemic on our consolidated financial position, performance and cash flows given the country's gradual transition to the new normal. We will continue to monitor, assess and adapt to the situation as it stabilizes.

Causes for any material changes (+/- 5% or more) in the Financial Statements

Income Statement items – For the year ended December 31, 2020 and 2019

Revenues for the year slid by 12% due to the slowdown brought about by lower construction accomplishments and delay in collections resulting from suspension of non-essential business operations in the first half of the year and Bayanihan law. Sales cancellation from Verdon Parc in Davao further dragged down revenue for the year.

Contractor revenue pertains to a new contract agreement with RLC DMCI Property Ventures, Inc (RDPVI), PDI as the contractor for the design and construction of a residential condominium project.

Hotel services decreased by 92% as the pandemic forced the island's closure from tourists from mid March until October.

Property management up by 8% mainly due to the increase in RFO projects and upward rate adjustment to cover additional manpower deployment.

Operating expenses decreased by 11% due to lower selling expenses, repairs and maintenance, utilities and other operating expenses.

Finance Income decreased by 22% due to lower yield and lower short-term investment this year.

Finance cost decreased by 65% mainly due to increase in capitalization rate which is based on Construction in Progress and RFO recognized for the year.

Equity in net earnings increased by 45% due to lower contribution of Subic Waters, CSPI and RDPVI

34% decrease in other income is mainly due to decrease in income from forfeitures on sales cancellations and decrease in penalty charges.

Balance Sheet items – As of December 2020 vs 2019

Cash and cash equivalent decreased by 19% mainly due to payment of CAPEX offset by net cash inflow from operations.

Accounts Receivables increased by 86% due to lower collections due to Bayanihan Act moratorium.

Contract Assets decreased by 11% due to lower revenue recognitions for the year.

Real estate inventories increased by 11% driven development costs incurred and land acquisitions during the year

18% increase in Property Plant, Equipment and Investment properties is due to additional purchases of construction equipment and formworks.

Deferred tax assets pertain on accrual of pension liability.

34% increase in Trade Payables is mainly due to accrual of project costs and dividends payable.

Advance collection received from customers compared to actual construction accomplishment also contributed to the increase in Customers Deposit and Contract Liabilities of 8%.

Loans payable increased by 10% due to additional loan availment for the year.

Customers deposits and Contract liabilities increased by 8% mainly coming from unrealized revenues from collected receivables.

Liabilities for purchased land increased by 7% due to additional land acquisition for the year.

Pension liabilities increased by 89% mainly due to net increase in benefit obligation over fair value of plan assets.

Income tax payable decreased by 70% due to lower taxable income.

Pension liability decreased by 39% mainly due to change in actuarial assumptions

Other noncurrent liability decreased by 10% due to lower accrual on sales commission payable

Any significant Elements of Income or Loss

The operating activities of the Company are carried uniformly over the calendar year. There are no significant elements of income or loss that did not arise from the Company's continuing operations.

Seasonal Aspects that has material Effect on the FS

There are also no seasonal aspects affecting the Company's financial condition and results of operations.

Performance Indicators

Financial Data	December 2020	December 2019
Gross Revenues	₱16.27 billion	₱18.59 billion
EBIT	1.75 billion	4.13 billion
EBITDA	2.19 billion	4.42 billion
Net Income	1.41 billion	3.09 billion
Earnings per share	0.403	0.885
Current ratio	3.34:1	2.83:1
Debt-to-equity ratio	2.28:1	2.08:1
Asset-to equity ratio	3.28:1	3.08:1
Return on Assets	1.92%	4.73%
Return on Equity	6.11%	13.92%
Solvency Ratio	0.04:1	0.07:1
Interest Coverage Ratio	1.18:1	3.13:1
Debt Service Coverage Ratio	0.18:1	1.28:1

(C) FULL YEAR PERIOD DECEMBER 31, 2019 VS DECEMBER 31, 2018

(In millions PHP)	Years Ended December 31		Variance	
	2019	2018	In Php	In %
REVENUE				
Real estate sales	18,074	20,237	(2,163)	-11%
Contractor's revenue	-	-	-	
Hotel services	256	143	113	79%
Property management services	190	134	56	41%
Elevator and maintenance services	67	57	10	19%
	18,587	20,571	(1,984)	-10%
COSTS				
Real estate sales	12,950	14,527	(1,577)	-11%
Contractor's revenue	-	-	-	
Hotel services	140	80	59	74%
Property management services	80	67	12	19%
Elevator and maintenance services	37	24	14	58%
	13,206	14,698	(1,491)	-10%
GROSS PROFIT	5,380	5,873	(493)	-8%
GENERAL AND ADMINISTRATIVE EXPENSES	2,428	2,432	(4)	0%
OTHER INCOME				
Finance Income	464	365	99	27%
Finance costs	(133)	(148)	15	-10%
Equity in net earnings	58	60	(2)	-3%
Other Income	1,118	1,976	(857)	-43%
	1,507	2,252	(745)	-33%
INCOME BEFORE INCOME TAX	4,460	5,693	(1,234)	-22%
PROVISION FOR INCOME TAX	1,365	1,730	(365)	-21%
NET INCOME	3,095	3,964	(869)	-22%

(In millions Php)	Years Ended December 31		Variance	
	2019	2018	In Php	In %
Selected Balance Sheet Data				
Cash and cash equivalent	5,897	6,176	(279)	-5%
Real estate inventories	36,901	29,430	7,472	25%
Accounts Receivables	20,197	17,666	2,531	14%
Other Assets	8,071	6,649	1,422	21%
Total Assets	71,066	59,921	11,145	19%
Loans payable - current	8,262	1,787	6,475	362%
Loans Payable - noncurrent	17,524	16,984	540	3%
Accounts and other payables	22,182	19,712	2,470	13%
Total Liabilities	47,968	38,483	9,485	25%
Attributable to equity holders of the Parent Company				
DMCI-PDI	22,998	21,338	1,660	8%
Non-controlling interests	100	99	1	1%
Total Equity	23,098	21,437	1,660	8%

Results of Operations

The Company's net income amounted to ₱3,095 million for year ended December 31, 2019, resulting to 22% decrease from ₱3,963 million in 2018. Excluding the one-time gain on sale of land in 2018, the company's core income declined by 5%.

The Company registered 10,628 residential units and parking slots in sales and reservations, 26% decrease from 14,334 units and parking slots sold in the previous year. Value of sales and reservations for the period was reported at Php36.67 billion, resulting to a decline of 15% from last year mainly due to the timing of project launches. Average selling price per unit increased this year by 18% amounting to Php5.32 million from Php4.52 million last year

Realized revenues slipped by 9% from ₱20.5billion to ₱18.6billion in 2019 due to lower construction accomplishments for the period. Meanwhile, total costs and operating expenses decline at a slower pace of 9% from P17.1Billion to P15.6billion in 2019.

In all, the Company launched 6,367 residential units this year, 22% higher than the 5,200 launched units in the previous year. Total sales revenue from these new projects is estimated at Php42 billion. Projects launched this year are Cameron Residences and The Crestmont in Quezon City, Allegra Garden Place in Pasig and Sonora Garden Residences in Las Pinas which is a joint venture project with Robinsons Land Corporation.

Other income (net of expense) decreased by 34% from ₱2,252 million to ₱1,507 million in 2019. Aside from the recognized one time gain on sale of undeveloped land this year, finance income and income from sales cancellation also contributed to the increase this year.

Financial Condition

The Company's total assets stood at ₱71.1 billion as of December 31, 2019, 18% higher than the ₱59.9 billion total assets as of December 31, 2018.

Cash and cash equivalents slightly decreased by 5% due to 33% increase in capital expenditures.

Receivables and contract asset increased by 14% due to additional revenue recognized this year.

Real estate held for sale jumped by 25% from ₱29,430 million to ₱36,910 million due to development costs incurred and land acquisitions during the year.

Fixed Assets increased by 22% mainly because of additional purchases of construction equipment.

Other assets increased by 12% is due to investment in Joint Venture with Robinsons Land and the impact of PFRS 15 to which the standards require to capitalize sales commission after signing of sales contracts.

Accounts and other payable grew by 26% due to accrual on project cost and interest expense.

Customers Deposits and Advances and contract liabilities increased by 19% due to increase in collections of projects with small accomplishments.

Loans payable increased by 37% mainly due to additional ₱9 billion term loan availed in 2019.

Total borrowings registered at ₱25.79 billion. Debt to equity is at 2.08:1, while current ratio is at 2.83:1

Return of equity was at 13.92% and return of assets at 4.73%.

Capital Expenditures

The Company spent a total of ₱19.20 Billion on capital expenditures for 2019. 61% was spent on residential projects, 35% on land acquisition and 4% for equipment.

The Company shall continue to provide best-in-class residential units in urban friendly, serviced communities, targeting upper mid-income individuals and families not only in Metro Manila but also throughout the Philippines.

The Company launched four (4) project in 2019, 2 in Quezon City, 1 in Pasig and 1 in Las Pinas. The project has 6,367 residential units with projected sales revenue of ₱42 billion.

Any Known Events, Trends or Uncertainties (material impact on liquidity)

Economic and infrastructure developments in the country may affect construction business; Interest rate movements may affect the performance of the real estate industry. There are no known trends or uncertainties that has material impact on the Company's liquidity.

Event that will trigger direct or contingent financial obligations

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

All material off balance sheet transactions, arrangements, obligations, (including contingent obligations) and other relationships of the Company with unconsolidated entities or other person created during the period – NONE

Any known trends, events of uncertainties (material impact on sales)

There are no known trends, event or uncertainties that has material impact on sales.

Causes for any material changes (+/- 5% or more) in the Financial Statements

Income Statement items – For the year ended December 31, 2019 and 2018

Realized revenues slipped by 11% due to lower construction accomplishments for the period.

Hotel services increased by 79% owing to its full year operation in 2019 compared to its 6 months operation last 2018 because of Boracay closure.

Property management increased by 41% mainly due to increase in management fee and turnover of RFO projects for the year.

Elevator maintenance grew by 19% due to increase in preventive maintenance contract

Cost of sales decreased by 10% due to lower revenue for the year

Finance Income increased by 27% due to higher short-term investment this year.

Finance cost decreased by 10% mainly due to increase in capitalization rate which is based on Construction in Progress and RFO recognized for the year.

Other income decreased by 43% due to sale of land last 2018

Balance Sheet items – As of December 2019 vs 2018

Cash and cash equivalents slightly decreased by 5% due to 33% increase in capital expenditures.

Receivables and contract asset increased by 14% due to additional revenue recognized this year.

Real estate held for sale jumped by 25% due to development costs incurred and land acquisitions during the year.

Fixed Assets increased by 22% mainly because of additional purchases of construction equipment.

Other assets increased by 14% is due to investment in Joint Venture with Robinsons Land and the impact of PFRS 15 to which the standards require to capitalize sales commission after signing of sales contracts.

Accounts and other payable grew by 25% due to accrual on project cost and interest expense.

Customers Deposits and Advances and contract liabilities increased by 19% due to increase in collections of projects with small accomplishments.

Loans payable increased by 37% mainly due to additional ₱9 billion term loan availed in 2019.

Liabilities for purchased land decreased by 5% due to payments of liabilities to landowners.

Income tax payable increased by 62% due to lower tax credits claimed for tax provisions

Pension liability increased due to excess defined obligation over fair value of plan assets.

Other noncurrent liability decreased by 21% due to lower accrual on sales commission payable

Any significant Elements of Income or Loss

The operating activities of the Company are carried uniformly over the calendar year. There are no significant elements of income or loss that did not arise from the Company's continuing operations.

Seasonal Aspects that has material Effect on the FS

There are also no seasonal aspects affecting the Company's financial condition and results of operations.

Performance Indicators

Financial Data	December 2019	December 2018
Gross Revenues	₱18.59 billion	₱20.57 billion
EBIT	4.13 billion	5.48 billion
EBITDA	4.42 billion	5.85 billion
Net Income	3.09 billion	3.96 billion
Earnings per share	0.885	1.13
Current ratio	2.83:1	3.82:1
Debt-to-equity ratio	2.08:1	1.80:1
Asset-to equity ratio	3.08:1	2.80:1
Return on Assets	4.73%	6.99%
Return on Equity	13.92%	20.17%
Solvency Ratio	0.07:1	0.11:1
Interest Coverage Ratio	3.13:1	4.68:1

Debt Service Coverage Ratio	1.28:1	2.04:1
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The manner by which the Company calculates the foregoing indicators is as follows:

Current Ratio means the Issuer's current assets divided by the current liabilities as reflected in the Issuer's latest audited financial statements ending December 31. This ratio is used as a test of the Company's liquidity.

Debt to Equity Ratio means the ratio of the Issuer's total liabilities to its total stockholders' equity, as reflected in the latest audited financial statements ending December 31. The ratio reveals the proportion of liability and equity the Company is using to finance its business. It also measures a Company's borrowing capacity.

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

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

Earnings per Share means the portion of the Company's profit allocated to each outstanding share of common stock. Earnings per Share serves as an indicator of the Company's profitability.

Solvency Rate means the ratio obtained by dividing the Company's net income and depreciation and amortization by its total liabilities. It measures the Company's ability to meet its short-term and long-term obligations.

Interest Coverage Ratio means the ratio calculated by dividing the Company's earnings before interest and taxes by interest expense. This ratio determines the Company's ability to pay interest on its outstanding debt.

Debt Service Coverage Ratio means the ratio obtained by dividing the earnings before interest and taxes (net operating income) by the total debt service costs which includes payment of loans and interest expense. This ratio measures the Company's ability to maintain its current debt levels.

Item 7. Financial Statements

Attached to the Audited Financial Statements, are the financial statements incorporated herein by reference.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There has been no change or disagreements with certifying accountants.

Part III-CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

A. Enumeration of Directors which includes Independent Directors and Executive Officers

Name	Age	Position
Isidro A. Consunji	73	Chairman of the Board and Chief Executive Officer
Alfredo R. Austria	64	Director and President
Jorge A. Consunji	69	Director
Ma. Edwina C. Laperal	60	Director, Senior Vice-President, and Treasurer
Adrian Crisanto M. Calimbas	54	Director, Senior Vice-President for Design and Engineering, Construcion and Post Construction
Herbert M. Consunji	69	Director
Ma. Cristina C. Gotianun	67	Director
Honorio Reyes Lao	77	Independent Director
Francisco F. Del Rosario, Jr.	74	Independent Director

(a) REGULAR DIRECTORS

Isidro A. Consunji, 73, Filipino, is the Chairman of the Board of Directors of the Company. He has been a director of the Company for twenty seven (27) years. He is a graduate of B.S. Civil Engineering at the University of the Philippines. He obtained his Masters degree in Business Economics from the Center for Research and Communication and Masters in Business Management from the Asian Institute of Management, and attended the Advanced Management Program at Instituto de Estudios Superiores de la Empresa (IESE) in Barcelona, Spain. For the past five years, he has been the Chairman of DMCI-Holdings, Inc, Dacon Corporation, and Asia Industries Inc. He is also the Chairman of the Board of Directors of DMCI Mining Corp., D.M. Consunji, Inc., DMCI Homes, and Beta Electric Corp. He is the Vice Chairman of Maynilad Water Services Inc., and director of Semirara Mining and Power Corporation, DMCI/MPIC Water Company Inc., Crown Equities, Inc., Atlas Consolidated Mining and Dev Corp., Carmen Copper Corp., Sem-Calaca Power Corp., Berong Nickel Corp., Toledo Mining Corp., ENK PLC (London). He was the former President of the Philippine Constructors Association and Philippine Chamber of Coal Mines, Inc. At present, he is the Chairman of the Board of the Philippine Overseas Construction Board and a board member of Construction Industry Authority of the Philippines.

Alfredo R. Austria, 64, Filipino, is the President and Chief Operating Officer of the Company. He has been a director of the Company for eighteen (18) years. He is a graduate of B.S. Civil Engineering, Cum Laude, at the University of the Philippines. He is a licensed Civil Engineer and placed 2nd at the Philippine Civil Engineering Board Exam. He also obtained his Master in Business Administration from the University of the Philippines. He has held various positions in different construction companies domestically and internationally. He is a member of the Philippine Institute of Civil Engineers - Manila Chapter.

Ma. Edwina C. Laperal, 60, Filipino, is a Director, Senior Vice-President and Treasurer of the Company. She has been a director of the Company for twenty seven (27) years. She graduated with a degree in B.S. Architecture and obtained her Masters Degree in Business Administration from the University of the Philippines and obtained an Executive Certificate for Strategic Business Economics Program from the University of Asia & the Pacific (formerly the Center for Research and Communication). She is a licensed architect in the Philippines. She is concurrently the Director and Treasurer of DMCI Holdings, Inc., D.M. Consunji Inc. and Dacon Corporation and a Director in Semirara Mining and Power Corporation, DMC Urban Property Developers, Inc., and Sem-Calaca Power Corporation.

Jorge A. Consunji, 69, Filipino. He has been a director of the Company for twenty seven (27) years. He is a graduate of B.S. Industrial Management Engineering at the De La Salle University. He obtained his Masters in Business Economics from University of Asia and the Pacific. He is the President and COO of D.M. Consunji Inc. He is also the Chairman of DMCI Masbate Power Corporation and Wire Rope Corp. of the Philippines, Director of DMCI-HI, Dacon Corporation, SEM-Calaca Power Corporation, DMCI Mining Corporation, DMCI Power Corporation, DMCI Concepcion Power Corporation, Semirara Mining and Power Corporation, Maynilad Water Services Inc., Manila Herbal Corporation, and Beta Electric Corp. He was the former Chairman of ASEAN Constructors Federation and former President of Phil. Constructors Association and ACEL. He is currently a Director of Private Infrastructure Development Corp.

Herbert M. Consunji, 69, Filipino, is a Director of the Company for four (4) years. He has served as regular director of DMCI Holdings, Inc. for twenty six (26) years since March 1995. He is also a regular Director of the following: *(Listed)* Semirara Mining and Power Corporation; *(Non-listed)* D.M. Consunji, Inc., Subic Water and Sewerage Company, Inc., DMCI Mining Corp., Sem-Calaca Res Corporation, DMCI Power Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem-Cal Industrial Park Developers, Inc. *Education.* Top Management Program, Asian Institute of Management; Bachelor of Science in Commerce, Major in Accounting (De La Salle University), Certified Public Accountant (CPA). *Civic Affiliations.* Philippine Institute of Certified Public Accountants, *Member.*

Ma. Cristina C. Gotianun, 67, Filipino, is a Director of the Company since June, 2017. She has been the Assistant Treasurer of DMCI Holdings, Inc. for twenty five (25) years; she is a regular director the following positions: *(Listed)* Semirara Mining and Power Corporation; *(Non-listed)* Dacon Corporation, D.M. Consunji, Inc., DMCI Power Corporation, Sem-Calaca Power Corporation., Southwest Luzon Power Generation Corp., Sem-Cal Industrial Park Development Corporation, St. Raphael Power Generation Corp., Semirara-Energy Utilities, Inc., Semirara Claystone, Inc., and Sem-Calaca Res Corp. She is a graduate of Bachelor of Science Major in Business Economics at the University of the Philippines. She acquired special studies in Top Management Program at Asian Institute of Management (AIM). She finished Strategic Business Economic Program at University of Asia and Pacific. She is a Fellow of the Institute of Corporate Directors.

Adrian Crisanto M. Calimbas , 54, Filipino, is a Director of the Company since August 2021. He was appointed as Senior Vice President for Design and Engineering, Construction and Post Construction since December 2019. He joined the company in 2001 and held various positions from Project In Charge to Vice President for Design and Engineering. Prior to this, he was a Civil Engineer at DM Consunji Inc for twelve years. He is a graduate of Bachelor of Science in Civil Engineering from University of Sto. Tomas. He is also a member of the Philippine Institute of Civil Engineers.

(b) INDEPENDENT DIRECTORS

Honorio O. Reyes-Lao, 77 years old, Filipino, has been an Independent Director of the Company for almost six (6) years. He is currently an independent director of DMCI Holdings, Inc., an independent director of Semirara Mining and Power Corporation, and is also a director of Philippine Business Bank *(Listed)*; He is also an independent director of Sem-Calaca Power Corporation and South West Luzon Power Generation Corporation *(Non-Listed)*. **Non-Listed (Past Positions)** Gold Venture Lease and Management Services Inc. (2008-2009), First Sovereign Asset Management Corporation (2004-2006, CBC Forex Corporation (1998-2002) , CBC Insurance Brokers, Inc. (1998-2004), CBC Properties and

Computers Center, Inc. (1993-2006). He obtained his Bachelor of Arts degree, Major in Economics and his Bachelor of Science in Commerce, Major in Accounting from De La Salle University. He obtained his Masters Degree in Business Management from the Asian Institute of Management. His current civic affiliations include the Institute of Corporate Directors, *Fellow*, Rotary Club of Makati West, *Member/Treasurer*, Makati Chamber of Commerce and Industries, *Past President*.

Francisco F. Del Rosario, Jr., 74, Filipino, has been an Independent Director of the Company for nine (9) years. He is also an Independent Director of Metrobank and Philab Industries, Inc., a Director of Mapfre Insular Insurance Corp. and Ominipay Inc., a Cabinet Member of Habitat for Humanity Philippines, and a Trustee of ABS-CBN Foundation Inc. Mr. del Rosario is a graduate of B.S. Commerce major in Accounting and Bachelor of Arts Major in Economics from De La Salle College. He also obtained his Master in Business Management from the Asian Institute of Management. He is also a candidate for Doctoral Program in Business Administration from De La Salle University Professional Schools, Inc.

(c) KEY OFFICERS

The following are the names, ages, and citizenship of the Company’s executive officers:

Name	Age	Position
Alfredo R. Austria	64	President
Ma. Edwina C. Laperal	60	Treasurer
Enrico C. Wong	64	Senior Vice President for DMCI Property Management , Alta Vista de Boracay , Leasing and General Services
Adrian Crisanto M. Calimbias	54	Senior Vice President for Design and Engineering, Construction and Post Construction
Evangeline H. Atchioco	47	Chief Finance Officer/ VP/ Chief Compliance Officer
Ma. Severina M. Soriano	60	Vice President for Architecture and Interior Design
Roel A. Pacio	54	Vice President for Legal and Permits
Dennis O. Yap	42	Vice President for Project Development / OIC for Sales
Florence L. Loreto	42	Vice President for Business Development
Teresa P. Tiongson	55	Vice President for Human Resource
Jan Mikel O. Venturanza	40	Vice President for Marketing, Customer Care, Corporate Planning and Information Technology
Arturo C. Zamora	54	Vice President for Procurement and Asset Management

Noel A. Laman	82	Corporate Secretary
Ma. Pilar P. Gutierrez	45	Assistant Corporate Secretary

The business experience of each of the Company's executive officers covering the past five years are described below.

Alfredo R. Austria, 64, Filipino, is the President and Chief Operating Officer of the Company. He has been a Director of the Company for seventeen (17) years. He is a graduate of B.S. Civil Engineering, Cum Laude, at the University of the Philippines. He is a licensed Civil Engineer and placed 2nd at the Philippine Civil Engineering Board Exam. He also obtained his Master in Business Administration from the University of the Philippines and a Certificate in Business Economics from the University of Asia and the Pacific. He has held various positions in different construction companies domestically and internationally. He is a member of the Philippine Institute of Civil Engineers - Manila Chapter.

Ma. Edwina C. Laperal, 60, Filipino, is a Director, Senior Vice-President, and Treasurer of the Company. She has been a Director of the Company for 26 years. She is a graduate of B.S. Architecture and obtained her Master's Degree in Business Administration from the University of the Philippines. She obtained an Executive Certificate for Strategic Business Economics Program from the University of Asia & the Pacific (formerly the Center for Research and Communication). She is a licensed architect in the Philippines. She is concurrently the Director and Treasurer of DMCI Holdings, Inc., D.M. Consunji Inc., DFC Holdings, Inc., and Dacon Corporation. A Director in Semirara Mining and Power Corporation, DMC Urban Property Developers, Inc., Southwest Luzon Power Generation Corporation, and Sem-Calaca Power Corporation. She is also a President and Director of DMC Urban Property Developers, Inc.

Enrico C. Wong, 64, Filipino, is the Senior Vice President for DMCI Property Management, Alta Vista de Boracay, Purchasing, Leasing and General Services of the Company since 2015 . He is also the Managing Director and part owner of Nuvali Steel Processing Center Inc, Board of Trustee of Made in Hope Philippines (NGO helping rescued women and children) and a Lecturer / Associate Professor in Ateneo Graduate School of Business for MBA-Regis University USA program. Before joining the Company, he has held various positions in San Miguel Group of Companies such as Vice President , General Manager and Board of Director of San Miguel Packaging Specialist, Inc., Vice President and Business Manager for PET Packaging and Beverage Business Cluster, San Miguel Yamamura Packaging Corp and San Miguel Corp., and Assistant Vice President and Sales Account Director for Coca Cola (Domestic and International). He is a graduate of B.S. Electrical Engineering from University of the Philippines and obtained his Masters in Business Administration from Ateneo Graduate School of Business. He is also a business consultant and trainor for Strategic Planning and Management, Quality Management, Operations Management, Culture Development , Motivation and

Values Formation. He is a Certified Master Project Manager, a Professional Executive Coach and a member of International Coach Federation, USA.

Adrian Crisanto M. Calimbas, 54, Filipino, was appointed as Senior Vice President for Design and Engineering, Construction and Asset Disposal since December 2019. He joined the company in 2001 and held various positions from Project In Charge to Vice President for Design and Engineering. Prior to this, he was a Civil Engineer at DM Consunji Inc for twelve years. He is a graduate of Bachelor of Science in Civil Engineering from University of Sto. Tomas. He is also a member of the Philippine Institute of Civil Engineers.

Evangeline H. Atchioco, 47, Filipino, has been the Chief Compliance Officer of the Company for five (5) years or since February 12, 2016. She was also appointed as Chief Finance Officer on September 1, 2019. She joined the company in 1997 as Finance Officer and held the position of Vice President for Finance in 2008 to 2019. She was a Senior Auditor in SyCip Gorres Velayo & Co. from 1994 to 1996. She graduated Magna Cum Laude with a degree of Bachelor of Science in Accountancy from the University of the East and obtained a Certificate in Business Economics from the University of Asia and the Pacific. She is a Certified Public Accountant.

Ma. Severina M. Soriano, 60, Filipino, is the Vice President for Architectural and Interior Design of the Company since 2011. She joined the company in 2006 as Head of Design. From 1988 to 2006, she held various positions in D.M.Consunji, Inc. from Cadet Architect to Design Manager. She was also an Interior Designer at AB Soriano & Associates from 1980 to 1986. She is a graduate of Bachelor of Science in Architecture from University of Sto Tomas and a member of United Architects of the Philippines (UAP) CBD Chapter.

Roel A. Pacio, 54, Filipino, is the Vice President for Legal and Permits of the Company since 2013. He joined the company in 2000 as Legal Officer. He was also the Deputy Director for Legal, Permits and Administration and Assistant Vice President for Legal and Permits prior to his current appointment. He earned his Juris Doctor degree from Ateneo de Manila University College of Law, with Silver Medal for Second Honors. He is also a Certified Public Accountant and is a graduate of Bachelor of Science in Commerce Major in Accounting from St. Louis University. He is a member of Integrated Bar of the Philippines and Philippine Institute of Certified Public Accountants.

Dennis O. Yap, 42, Taiwanese, was appointed as Vice President for Project Development on September 1, 2019. He is also the Officer In Charge for Sales and Head of Concepts and Landscape Management. He joined the company in 2010 as Project Development Manager. Prior to this, he was with Federal Land Inc. from 2003 to 2010 as Assistant Manager for Product Planning Department. He is a graduate of Bachelor of Science in Business Administration Major in Marketing from Philippine School of Business Administration.

Florence L. Loreto, 42, Filipino, was appointed as Vice President for Business Development in January 2020. She joined the company in 2013 as Project Development Manager. Prior to this, she was with Ayala Land, Inc.'s Operations Group, Finance Division and AyalaLand Hotels and Resorts Corp., consecutively. She is a graduate of Bachelor of Science in Civil Engineering from the Mapua Institute of Technology.

Teresa P. Tiongson, 55, Filipino, was appointed as Vice President for Human Resources on September 1, 2019. She joined the company in 2007 as Senior Manager for Human Resources and held the position of Assistant Vice President for Human Resource in 2015 to 2019. Before joining the Company, she was the Vice President for Human Resource of Centennial Savings Bank. She is a graduate of Bachelor of Science in Psychology (*with Academic Distinction*) from St. Paul College, Quezon City. She is also a member of Personnel Management Association and Philippine Society Training and Development.

Jan Mikel O. Venturanza, 40, Filipino, was appointed as Vice President for Corporate Planning, Marketing, Customer Care and Information Technology on September 1, 2019. He joined the company in 2011 as Marketing Manager. He earned his Bachelor's Degree in Electronics and Communications Engineering from Ateneo de Manila University and his Masters in Business Administration from University of the Philippines.

Arturo C. Zamora, 54, Filipino, was appointed as Vice President for Procurement and Asset Management on April 1, 2021. He joined the company in 2020 as Head of Purchasing. He is also a lecturer/associate professor of Operations and Supply Chain Management of the MBA programs of the Ateneo Graduate School of Business (AGSB). He has more than 30 years' experience and held various managerial and executive positions in various industries such as electronics manufacturing (Ionics, Zyrel), home appliance and medical equipment distribution, food production and franchising (Julies Franchising Corp, GM), healthcare (hospital operations), construction (ASEC, VP), logistics (APL Logistics Philippines, GM), real estate development, memorial park development, and mining services. His most recent engagement before DMCI Homes was as Chief Operating Officer of Canedo Equity Ventures, Inc. in Cebu. He earned his Bachelor's Degree in Electronics and Communications Engineering from the Mapua Institute of Technology, and his MBA degree from AGSB.

Noel A. Laman is 82 years old, Filipino, has been the Corporate Secretary of the Company for eleven (11) years. For the past six (6) years, he has held the following positions: (*Listed*) Corporate Secretary of DMCI Holdings, Inc. and National Reinsurance Corporation of the Philippines; (*Non-listed*) Castillo Laman Tan Pantaleon & San Jose Law Offices, Founder/Senior Partner; DCL Group of Companies, Treasurer; Boehringer Ingelheim (Phils.), Inc., Non-executive Director; Merck, Inc, Non-executive Director. He obtained his Bachelor of Science, Jurisprudence and Bachelor of Laws from the University of the Philippines and Master of Laws from University of Michigan Law School. He is a member of the

Integrated Bar of the Philippines and was its *Past Secretary, Treasurer, Vice President, for the Makati Chapter*; Rotary Club Makati West, *Past President*; Intellectual Property Association of the Philippines (IPAP), *Past President*; Asian Patent Attorneys Association (APAA), *Past Council Member*; Firm Representative to the German Philippine Chamber of Commerce, Inc., *Member*.

Ma. Pilar Pilares- Gutierrez is 45 years old, Filipino. She has served the Corporation as Assistant Corporate Secretary for almost sixteen (16) years since May, 2005. For the past six (6) years, she has held the following positions: (*Listed*) Assistant Corporate Secretary of DMCI Holdings, Inc. and National Reinsurance Corporation of the Philippines; (*Non-listed*) Castillo Laman Tan Pantaleon & San Jose Law Firm, Partner; Corporate Secretary of the following companies: Pricon Microelectronics, Inc., Test Solution Services, Inc., DCL Management Ventures, Inc. Manpower Resources of Asia, Inc., Sealanes Marine Services, Inc., CBRE Corporate Outsourcing, Inc, CBRE GWS IFM Phils. Corp, CBRE Business Support Services Philippines, Inc., Software AG Philippines, Inc., Oncho Philippines, Inc., Mercury Battery Industries, Inc., Philippine Advanced Processing Technology, Inc., Rentokil Initial Philippines, Inc., Jacobs Projects Philippines, Inc., Successfactors Philippines, Inc.; She is also the Assistant Corporate Secretary of the following companies: D.M. Consunji, Inc., Dacon Insurance Brokers, Inc., Wire Rope Corporation of the Philippines, Honeywell CEASA (Subic Bay) Company, Inc., IQVIA Solutions Philippines, Inc., IQVIA Solutions Operations Center Philippines, Inc., SingTel Philippines, Inc., and JTEKT Philippines Corporation. She obtained her Bachelor of Laws from the University of the Philippines (Diliman) in 2001 (Dean's Medal for Academic Excellence) and her Bachelor of Science in Management, Major in Legal Management (B.S.L.M.) from the Ateneo de Manila University in 1997.

B. Significant Employees

Each of the employees whether classified as an executive or a rank & file is considered important. All makes a significant contribution to the business of the Company.

C. Family Relationships

The family relationship up to fourth civil degree either by consanguinity or affinity among directors, executive officers or persons nominated or chosen by the Corporation to become directors or executive officers is stated below:

Chairman Isidro A. Consunji, Director Jorge A. Consunji, SVP-Treasurer Ma. Edwina C. Laperal and Director Ma. Cristina C. Gotianun are siblings. Director Herbert M. Consunji is their cousin.

Except as disclosed above, there are no other family relationships known to the Corporation.

D. Involvement in Certain Legal Proceedings

None of the Directors or Executive Officers is involved in any bankruptcy proceedings. Neither are they convicted by final judgment in any criminal proceedings nor subject of any order, judgment or decree of competent jurisdiction permanently enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities. They are not involved in any action or proceeding surrounding violation of securities or commodities law.

The Corporation is presently a party to the litigation cases listed in item 3. of this report.

Item 10. EXECUTIVE COMPENSATION

A. Compensation of Directors

Under Article III, Section 10 of the Company’s By-Laws, each director shall receive a reasonable per diem for his attendance at every meeting of the Board. Every member of the Board shall receive such amount not to exceed 10% of the income before income tax of the Corporation during the preceding year, as may be determined by the Board of Directors, as compensation subject to the approval of the stockholders.

The per diem of each director who attended a board meeting amounts to P10,000.

B. Executive Compensation

Under Article IV, Section 10 of the Company’s By-laws, the Board of Directors shall determine the remuneration to be received by the executive officers designated herein.

ANNUAL COMPENSATION IN PHILIPPINE PESOS

Names	Year	Salary	Bonus	TOTAL
Alfredo R. Austria President and Chief Operating Officer				
Ma. Edwina C. Laperal Senior Vice-President and Treasurer				
Enrico C. Wong Senior Vice President for DPMC, Alta Vista, General Services and Leasing				
Adrian Crisanto M. Calimbas Senior Vice President for Design and Engineering, Construction and Asset Disposal				
Roel A. Pacio Vice President for Legal and Permits				

Total for five most highly compensated executive officers	2021	₱14,502,937	₱1,205,516	₱15,708,453
	2022 (estimates)	₱15,237,945	₱1,262,829	₱16,500,773
	2023 (estimates)	₱16,010,203	₱1,326,829	₱17,337,032
Total for all other officers as a group unnamed*	2019	₱56,047,410	₱4,596,811	₱60,644,222
	2020	₱66,188,816	₱4,998,150	₱71,186,967
	2021 (estimates)	₱69,498,257	₱5,248,057	₱74,746,314

*Officers holding positions of managers and above.

There is no contract covering their employment with the Corporation and they hold office by virtue of their election to office. The Company has no agreements with its named executive officers regarding any bonus, profit sharing, and pension or retirement plan.

There are no outstanding warrants, options, or right to repurchase any securities held by the directors or executive officers of the Company.

Item 11. Security Ownership of Certain Beneficial Owners and Management

1) Security Ownership of Management

The table sets forth as of April 30, 2022, the record or beneficial stock ownership of each Director of the Corporation and all Officers and Directors as a group.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	Percent of Class
Common	Isidro A. Consunji	1,000	Direct	Filipino	<0.01%
Common	Jorge A. Consunji	1,000	Direct	Filipino	<0.01%
Common	Ma. Edwina C. Laperal	1,000	Direct	Filipino	<0.01%
Common	Alfredo R. Austria	1	Direct	Filipino	<0.01%
Common	Adrian Crisanto Calimbas	1	Direct	Filipino	<0.01%
Common	Ma. Cristina C. Gotianun	1	Direct	Filipino	<0.01%
Common	Herbert M. Consunji	1	Direct	Filipino	<0.01%
Common	Honorio O. Reyes-Lao	1	Direct	Filipino	<0.01%
Common	Francisco F. Del Rosario, Jr.	1	Direct	Filipino	<0.01%
Common	Noel A. Laman	0	N/A	Filipino	0.0000%
Common	Ma. Pilar P. Gutierrez	0	N/A	Filipino	0.0000%
Aggregate Ownership		3,006			<0.01%

All the above named directors and officers of the Corporation are of record and/or beneficial owners of the shares of stock set forth opposite their respective names.

2) Security Ownership of Certain Record and Beneficial Owners

The following table sets forth as of April 30, 2022, the record and/or beneficial owners of more than 5% of the outstanding Common Shares of the Corporation which are entitled to vote and the amount of such record and/or beneficial ownership.

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
Common	DMCI Holdings, Inc. 3 rd Floor, Dacon Building 2281 Pasong Tamo Extension Makati City DMCI Holdings, Inc. is the parent company of the Corporation	DMCI Holdings, Inc. 3 rd Floor, Dacon Building 2281 Pasong Tamo Extension Makati City DMCI Holdings, Inc. is the parent company of the Corporation	Filipino	2,982,861,746	85.5%
Common	D.M. Consunji, Inc. DMCI Plaza 2281 Pasong Tamo Extension, Makati City	DMCI Holdings, Inc. 3 rd Floor, Dacon Building 2281 Pasong Tamo Extension Makati City DMCI Holdings, Inc. is the parent company of the Corporation	Filipino	504,862,578	14.5%

3) Voting Trust Holders of 5% or more

The Corporation is not aware of any person holding more than 5% of the shares of Corporation under a voting trust or similar agreement.

4) Changes in Control

As of April 30, 2022, there has been no change in control of the Corporation. Neither is the Corporation aware of any arrangement which may result in a change in control of it.

Item 12. Certain Relationships and Related Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making the financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Transactions entered into by the Group with related parties are at arm's length and have terms similar to the transactions entered into with third parties. In the regular course of business, the Group's significant transactions with related parties include the following:

The Company is a subsidiary of DMCI-HI. The Company, in its regular course of business, engages in transactions with DMCI-HI, its subsidiaries and affiliates.

The Company's significant transactions with related parties consist primarily of the following:

- a. General and special management services rendered by DMCI-HI, the ultimate parent company, and by DMCI Homes, Inc., a subsidiary, to the Parent Company for a fee. This is effective for a period of five (5) years and renewable for another five (5) years upon mutual agreement of the contracting parties. The management contract expired in 2018 and was not renewed in 2019.

Total management fees charged against operations under this agreement amounted to ₱4.20 million in 2018 (nil in 2021, 2020 and 2019).

- b. Dividend income from investment in Subic Water and Sewerage Company recognized by the Parent Company in the statements of comprehensive income amounted to ₱45.00 million and ₱36.00 million in 2021 and 2020, respectively.
- c. Contract billings by DMCI, an affiliate, amounting to ₱94.11 million and ₱296.06 million as of December 31, 2020 and December 31, 2019 respectively, for the construction of the real estate projects included in the "Payables to related parties" account.

d. The Group has outstanding balance from a condominium corporation for the advances made for association dues and utilities consumed by hotel rooms, common areas and concessionaires for its hotel operations. These are included as receivable from related parties under “Receivables” account in the consolidated statements of financial position.

e. *Design and build agreement*

The Group entered into an agreement with its joint venture, RLC DMCI Property Ventures, Inc. (RDPVI), for the design and construction of a residential condominium project. Terms of payment include 15% downpayment and balance payable through monthly progress billings subject to retention and recoupment.

i. *Contractor’s revenue and costs*

The Group recognized ₱236.89 million and ₱119.09 million contractor’s revenue in 2021 and 2020 which is based on the actual costs incurred over the total budgeted cost of the project. Related cost incurred amounted to ₱217.69 million and ₱109.44 million in 2021 and 2020.

ii. *Billings in excess of cost and estimated earnings on uncompleted contracts*

The Company also recognized ₱152.38 million and ₱70.90 million billings in excess of costs and estimated earnings on uncompleted contracts in 2021 and 2020 respectively, which is presented under “Contract liabilities”. This represents billings in excess of total costs incurred and estimated earnings recognized

iii. *Contract retention*

The Company recognized ₱96.80 million and ₱34.62 million contract retention as of December 31, 2021 and December 31, 2020, respectively. This pertains to the amount retained as security and shall be released after the period as indicated in the contract for the rectification of defects and non-compliance from the specifications indicated in the agreement

iv. *Contracts receivable*

The Company recognized ₱180.64 million and ₱115.18 million contracts receivable as of December 31, 2021 and December 31, 2020 respectively, which arises from the construction activities in relation to the joint venture with RDPVI. These receivables are based on progress billings provided to customers over the period of construction

v. *Contract liabilities*

The Company recognized customers’ advances and deposits amounting ₱601.67 million which represents the downpayment made by RDPVI. This is equivalent to the value of land and 15% of the contract amount less the first downpayment which is paid upon issuance of building permit

f. *Management and marketing services agreement*

RDPVI has also engaged the services of the Group for the management and marketing of its project. Consideration for the management services is valued at 3% of the sum of net total contract price (NTCP) collected for each month while

marketing services to provide is equivalent to 0.50% of real estate sales recorded each month.

RLC and the Group will also act as the exclusive selling arm of RDPVI for the sale of units and parking lots of the project wherein 1.5% of the NTCP of sold units will be payable to the party who sold the units, RLC or the Group.

In 2021 and 2020, the Group earned management and marketing fees amounting to ₱7.59 million and ₱11.21 million, respectively .

g. Socialized Housing Agreement with DMC Urban Property Developers, Inc.

The Company entered into a socialized housing agreement with DMC Urban Property Developers, Inc. (UPDI), an accredited developer of socialized housing project by Department of Human Settlements and Urban Development (DHSUD) in order to obtain the required credits for the development of the condominium project. This was documented in a joint venture agreement in which profits will be shared on a 50:50 allocation basis. The Company finances the whole development and construction of the project while UPDI contributes the land and act as project manager of the project. The total project cost of the compliance project amounts to ₱458.78 million. As of December 31, 2021 and 2020, the advances recorded in the books under “Other current assets” amounted to ₱195.97 million and ₱140.37 million, respectively.

There have been no guarantees provided or received for any related party receivables or payables. The Company has not recognized any impairment losses on amounts receivables from related parties for the years ended December 31, 2021 and 2020. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Transactions between related parties are based on terms similar to those offered to non-related parties. Related party transactions are made under the normal course of business.

Aside from the above, the Company also has cash and operating advances made to and received from related parties. These advances are mostly made to subsidiaries for initial working capital requirements for maintenance of completed projects. To ensure the proper upkeep of premises upon completion of projects, the Company typically provides advances to each project’s condominium corporation or homeowners’ association as seed fund for maintenance purposes. Repayments of these advances are offset from association dues of units owned by the Company in these projects.

Total outstanding receivables from related parties as of December 31, 2021 and December 31, 2020 amounted to ₱120.5 million and ₱17.9 million, respectively. Total outstanding payable to related parties as of December 31, 2020 amounted to ₱94.11million (nil in 2021).

To the best of the Company's knowledge, there are no parties that fall outside of the definition of "related parties" under SFAS/IAS No. 24, but with whom the Company 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.

PART IV- CORPORATE GOVERNANCE

Item 13. Corporate Governance

- 1) The Company's Corporate Governance Manual ("CG Manual") was filed on May 22, 2015. The Amended CG Manual was later on filed on September 14, 2015. The Company's CG Manual substantially complies with the SEC Memorandum Circular no. 6 Series of 2009 issued by the Securities and Exchange Commission on Revised Code of Corporate Governance.
- 2) With the appointment of the Chief Compliance Officer on February 12, 2016, the Compliance Department was formally established. The department is responsible for the company's acquiescence to the mandatory provisions laid down under the Revised Code of Corporate Governance, the provisions of the Company's CG Manual, the Well-Accepted Principles of Corporate Governance Best Practices for non-listed domestic private corporations, Rule 38 of the Securities Regulation Code, and other SEC Memorandum Circulars. It also ensures the yearly filing of the Certificate of Compliance with the Manual of Corporate Governance of the Chief Compliance Officer, the Corporate Secretary's Certificate of Attendance of Directors to Board Meetings, the Annual Report with corporate governance provisions, Quarterly Reports, General Information Sheet, and other reportorial requirements mandated by the Commission for the corporation to file. It also ensures that the company substantially complies with the laws applicable to the industry it belongs and other prevailing laws applicable to corporations duly incorporated in the Philippines.
- 3) On May 2019, the Chairman and the Members of the Audit Committee, Nomination & Election Committee, and Compensation & Remuneration Committee of the company were elected. The three committees were established to ensure substantial compliance with the provisions of the Revised Manual on Corporate Governance of SEC and the CG Manual of the Company as to the respective corporate committees.
- 4) The Chief Compliance Officer attends all meetings of the Board of Directors of the Company and closely coordinates with the Chairman of the Board and other officers to ensure compliance with its CG Manual. The Company's directors and top-level management also attend seminars on good corporate governance which are held annually by the Company's parent company, DMCI Holdings, Inc.

- 5) As of the date hereof, there are no deviations from the Company's Manual on Corporate Governance.
- 6) The Company is bound to comply with various corporate governance policies being implemented by its parent company, DMCI Holdings, Inc. This is intended to improve the corporate governance of the Company.

PART V- EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

- 1) **As to Exhibits:** *See index of exhibits incorporated by reference in this report.*
 - a) 2021 Audited Financial Statements of DMCI-Project Developers, Inc.
 - b) 2021 Audited Financial Statements of DMCI Holdings, Inc. (Parent Company)

The other exhibits, as indicated in the index of exhibits are either not applicable to the Company or require no answer.

- 2) **Reports on SEC Form 17-C:**

The Company filed several SEC Form 17-C reports for the year 2020 within 5 calendar days after the occurrence of the event being reported.

- 3) **Reports under SEC Form 17-C:**

The reports below were filed at Securities and Exchange Commission Main Office.

- a) Calling of 2021 Annual Meeting – March 8, 2021
- b) Result of Annual Stockholders' Meeting and organizational board meeting- May 12, 2021
- c) Declaration of cash dividends on June 15, 2021
- d) Declaration of additional cash dividends on June 25, 2021
- e) Resignation and election of New Director on August 5, 2021
- f) Declaration of cash dividends on September 30, 2021
- g) Declaration of cash dividend on March 7, 2022
- h) Rescheduling of 2022 Annual Stockholder's Meeting on May 2, 2022
- i) Merger of DMCI-PDI with L&I Development Corporation on May 2, 2022

- 4) **Material events subsequent to the end of the reporting period that have not been reflected in the financial statements of the reporting period:**

On February 21, 2022, the Board of Directors of the company approved and resolved the merger of the Parent Company with its subsidiary, L&I Development Corporation with the Parent Company as the surviving corporation for the development of a parcel of land situated in Quezon City.

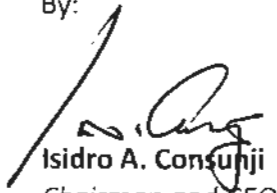
On May 2, 2022, the Board of Directors of the company approves the merger of DMCI-PDI with L&I Development Corporation with DMCI-PDI as the surviving corporation.

On May 2, 2022, the Board of Directors of the company approved to hold the 2021 annual stockholders' meeting on June 14, 2022, 2:30 p.m. at the principal office of the corporation located at DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, 1233 Makati City, to be held via remote communication; The record date for the 2021 annual stockholders' meeting shall be on May 2, 2022.


SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed in behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on _____.

By:


Isidro A. Consunji
Chairman and CEO


Alfredo R. Austria
President


Evangeline H. Atchioco
CFO/ Chief Compliance Officer


Atty. Ma. Pilar Pilares-Gutierrez
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this _____, day of _____, 2022
affiants exhibiting to me their passport details as follows:

Name	Passport No.	Date of Issue	Place of Issue
Isidro A. Consunji			
Alfredo R. Austria			
Evangeline H. Atchioco			
Atty. Ma. Pilar Pilares-Gutierrez			

NOTARY PUBLIC

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2022.



DMCI
PROJECT DEVELOPERS
I N C O R P O R A T E D

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building PICC Complex
Roxas Boulevard, Pasay City, 1307

**STATEMENT OF MANAGEMENT'S
RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of DMCI Project Developers, Inc. and its subsidiaries (collectively referred to as Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the year(s) ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

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

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Evangeline H. Atchioco, Chief Finance Officer and Sarah Kae L. Gonzales, Senior Accounting Manager of the Company prepared the financial statements incorporated in this report and Sycip Gorez & Velayo, independent auditor, appointed by the stockholders for the period of December 31, 2021 and December 31, 2020, respectively, have examined the financial statements of the Company in accordance with the Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of the presentation upon completion of the examination.

DMCI
PROJECT DEVELOPERS
I N C O R P O R A T E D

DMCI Homes Corporate Center
1321 Apolinario St.,
Brgy. Bangkal
Makati City, 1233 Philippines

(632) 555-7777

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA Greenhills
Mandaluyong, Metro Manila

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

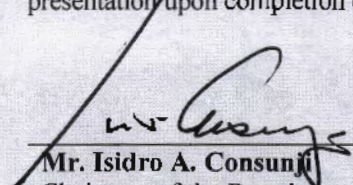
The management of DMCI Project Developers, Inc. and its subsidiaries (collectively referred to as the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the year(s) ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

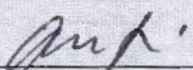
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

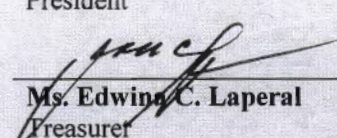
SyCip, Gorres, Velayo & Co., the independent auditors, appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon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



Mr. Isidro A. Consunji
Chairman of the Board



Mr. Alfredo R. Austria
President



Ms. Edwina C. Laperal
Treasurer

Signed this _____ day of MAY 23 2022.



**DMCI
PROJECT DEVELOPERS**
I N C O R P O R A T E D

Republic of the Philippines)
Makati City) S.S.

DMCI Homes Corporate Center
1321 Apolinario St.
Brgy. Bangkal
Makati City, 1233 Philippines

(632) 555-7777

MAY 23 2022

SUBSCRIBED AND SWORN to before me this _____ day of _____, _____ affiant
exhibited to me this Residence Certificate No. _____ issued at Makati City _____.

Doc No. 431
Page No. 50
Book No. 50
Series of 2022

ATTY. BASILIO D. GASCON JR.

NOTARY PUBLIC APPOINTMENT NO. M-79
ROLL NO. ATTORNEY NO. 51336
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2021
MCLE COMPLIANCE NO. VI-0028922/OCT. 4, 2019
IBP LIFE MEMBER ROLL NO. 09441/MAKATI CHAPTER
PTR NO. 8853711/JANUARY, 4, 2022 MAKATI CITY
2/F DMCI HOMES CORPORATE CENTER
1321 APOLINARIO STREET, BANGKAL
MAKATI CITY, METRO MANILA
EXTENDED UNTIL JUNE 30, 2022
PER. B. M. NO. 3795

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	5	-	0	0	4	1	3	7
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COMPANY NAME

D	M	C	I		P	R	O	J	E	C	T		D	E	V	E	L	O	P	E	R	S	,		I	N	C	.	
A	N	D			S	U	B	S	I	D	I	A	R	I	E	S													

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

D	M	C	I		H	o	m	e	s		C	o	r	p	o	r	a	t	e		C	e	n	t	e	r	,		1	
3	2	1			A	p	o	l	i	n	a	r	i	o		S	t	r	e	e	t	,		B	a	n	g	k	a	l

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

		N	A
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COMPANY INFORMATION

Company's Email Address N/A	Company's Telephone Number 555-7777	Mobile Number N/A
No. of Stockholders 11	Annual Meeting (Month / Day) May 6	Fiscal Year (Month / Day) December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person Evangeline H. Atchioco	Email Address enhernandez@dmcihomes.com	Telephone Number/s 555-7777 loc. 7342	Mobile Number N/A
---------------------------------------------------------	---------------------------------------------------	-------------------------------------------------	-----------------------------

CONTACT PERSON'S ADDRESS

DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, Makati City

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

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



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
DMCI Project Developers, Inc.
DMCI Homes Corporate Center
1321 Apolinario St., Bangkal
Makati City

Opinion

We have audited the consolidated financial statements of DMCI Project Developers, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

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



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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting relief issued and approved by the SEC as described in Note 2 to the consolidated financial statements.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

SYCIP GORRES VELAYO & CO.



Dhonabee B. Señeres

Partner

CPA Certificate No. 97133

Tax Identification No. 201-959-816

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 97133-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-098-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8854369, January 3, 2022, Makati City

February 24, 2022



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6 and 31)	₱4,472,228,172	₱4,766,268,217
Receivables (Notes 7, 27, 30 and 31)	4,664,793,333	7,351,402,317
Current portion of contract assets (Note 8)	10,865,845,025	7,694,660,988
Real estate inventories (Note 9)	41,236,261,016	40,914,577,303
Other current assets (Notes 10, 27 and 31)	3,774,156,707	3,205,400,333
Total Current Assets	65,013,284,253	63,932,309,158
Noncurrent Assets		
Contract assets - net of current portion (Note 8)	12,455,643,184	6,706,033,597
Investments in associates and joint venture (Note 11)	993,629,035	891,138,890
Investment properties (Note 12)	95,664,846	109,106,346
Software cost (Note 13)	12,613,406	66,560,346
Property and equipment (Note 14)	1,751,848,377	1,917,933,184
Deferred tax assets (Note 26)	3,522,067	3,139,960
Other noncurrent assets (Notes 10, 15, 27 and 31)	1,719,493,662	2,220,898,414
Total Noncurrent Assets	17,032,414,577	11,914,810,737
	₱82,045,698,830	₱75,847,119,895
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 18 and 31)	₱6,321,028,057	₱6,833,580,985
Current portion of loans payable (Notes 16, 30 and 31)	5,710,180,522	2,832,347,920
Customers' advances and deposits (Note 19)	4,356,686,876	4,085,451,230
Current portion of contract liabilities (Notes 19 and 27)	3,549,504,260	4,380,478,887
Payables to related parties (Notes 27 and 31)	-	94,105,428
Current portion of liabilities for purchased land (Notes 17, 30 and 31)	601,817,432	849,023,520
Payables to related parties (Notes 27 and 31)	-	94,105,428
Income tax payable	415,010	50,292,227
Total Current Liabilities	₱20,539,632,157	19,125,280,197
Noncurrent Liabilities		
Contract liabilities – net of current portion (Note 19)	1,261,595,621	1,900,164,170
Loans payable – net of current portion (Notes 16, 30 and 31)	26,924,411,129	25,482,525,578
Liabilities for purchased land – net of current portion (Notes 17, 30 and 31)	969,552,190	1,170,581,536
Net pension liability (Note 24)	150,613,212	248,600,097
Deferred tax liabilities – net (Note 26)	3,885,584,976	3,594,503,804
Other noncurrent liability (Notes 18 and 31)	1,079,558,646	1,172,543,428
Total Noncurrent Liabilities	34,271,315,774	33,568,918,613
Total Liabilities	₱54,810,947,931	₱52,694,198,810

(Forward)



	December 31	
	2021	2020
Equity (Note 20)		
Attributable to equity holders of the Parent Company		
Capital stock	₱3,487,727,331	₱3,487,727,331
Additional paid-in capital	15,260,664	15,260,664
Appropriated retained earnings	15,977,900,000	15,977,900,000
Unappropriated retained earnings	7,503,636,759	3,559,563,679
Remeasurement gain on defined benefit plans – net of tax (Note 24)	168,743,907	31,056,153
	27,153,268,661	23,071,507,827
Non-controlling interest in consolidated subsidiaries	81,482,238	81,413,258
Total Equity	27,234,750,899	23,152,921,085
	₱82,045,698,830	₱75,847,119,895

See accompanying Notes to Consolidated Financial Statements.



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2021	2020	2019
REVENUE (Note 29)			
Real estate sales (Note 19)	₱24,101,971,185	₱15,854,267,052	₱18,073,946,611
Contractor's revenue (Note 27)	236,889,301	119,086,923	–
Hotel services	1,966,118	19,597,040	255,705,698
Property management services	224,574,231	204,644,897	190,091,425
Elevator and maintenance services	91,588,651	69,291,296	67,050,739
	24,656,989,486	16,266,887,208	18,586,794,473
COSTS (Note 29)			
Real estate sales (Notes 9 and 10)	17,278,400,121	12,845,094,196	12,949,936,292
Cost of contractor's revenue (Note 27)	217,695,494	109,437,980	–
Hotel services (Note 14)	3,430,536	23,642,752	139,729,409
Property management services	104,348,710	90,054,404	79,540,709
Elevator and maintenance services	66,579,117	52,416,015	37,288,062
	17,670,453,978	13,120,645,347	13,206,494,472
GROSS PROFIT	6,986,535,508	3,146,241,861	5,380,300,001
GENERAL AND ADMINISTRATIVE EXPENSES (Notes 23 and 29)	2,413,680,521	2,171,643,297	2,427,645,906
OPERATING INCOME	4,572,854,987	974,598,564	2,952,654,095
OTHER INCOME (EXPENSE) (Note 29)			
Finance income (Notes 6, 7 and 21)	341,218,709	362,691,126	463,765,997
Finance costs (Notes 16, 17 and 25)	(117,762,285)	(46,394,023)	(132,603,745)
Equity in net earnings of associates and joint venture (Note 11)	45,478,609	31,854,424	57,871,060
Other income (Notes 9, 12, 22 and 27)	1,238,873,896	741,552,740	1,118,044,130
	1,507,808,929	1,089,704,267	1,507,077,442
INCOME BEFORE INCOME TAX	6,080,663,916	2,064,302,831	4,459,731,537
PROVISION FOR INCOME TAX (Note 26)	891,521,856	657,501,803	1,364,762,658
NET INCOME	₱5,189,142,060	₱1,406,801,028	₱3,094,968,879
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	₱5,189,073,080	₱1,406,833,028	₱3,086,484,447
Non-controlling interests	68,980	(32,000)	8,484,432
	₱5,189,142,060	₱1,406,801,028	₱3,094,968,879
BASIC/DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (Note 32)	₱1.488	₱0.403	₱0.885

See accompanying Notes to Consolidated Financial Statements.



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2021	2020	2019
NET INCOME	₱5,189,142,060	₱1,406,801,028	₱3,094,968,879
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that will not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on defined benefit plans (Note 24)	183,583,672	(122,550,117)	(210,760,212)
Income tax effect (Note 26)	(45,895,918)	36,765,033	59,589,262
	137,687,754	(85,785,084)	(151,170,950)
TOTAL COMPREHENSIVE INCOME	₱5,326,829,814	₱1,321,015,944	₱2,943,797,929
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	₱5,326,760,834	₱1,321,047,944	₱2,935,313,497
Non-controlling interests	68,980	(32,000)	8,484,432
	₱5,326,829,814	₱1,321,015,944	₱2,943,797,929

See accompanying Notes to Consolidated Financial Statements.



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended December 31, 2021

Attributable to Equity Holders of the Parent Company

	Capital Stock (Note 20)	Additional Paid-in Capital (Note 20)	Remeasurement Gain on Defined Benefit Plans (Note 24)	Retained Earnings		Total	Non-controlling Interest	Total Equity
				Unappropriated (Note 20)	Appropriated (Note 20)			
Balances as at January 1, 2021	₱3,487,727,331	₱15,260,664	₱31,056,153	₱3,559,563,679	₱15,977,900,000	₱23,071,507,827	₱81,413,258	₱23,152,921,085
Net income	–	–	–	5,189,073,080	–	5,189,073,080	68,980	5,189,142,060
Other comprehensive loss	–	–	137,687,754	–	–	137,687,754	–	137,687,754
Total comprehensive income	–	–	137,687,754	5,189,073,080	–	5,326,760,834	68,980	5,326,829,814
Dividends declared (Note 20)	–	–	–	(1,245,000,000)	–	(1,245,000,000)	–	(1,245,000,000)
Balances as at December 31, 2021	₱3,487,727,331	₱15,260,664	₱168,743,907	₱7,503,636,759	₱15,977,900,000	₱27,153,268,661	₱81,482,238	₱27,234,750,899

For the year ended December 31, 2020

Attributable to Equity Holders of the Parent Company

	Capital Stock (Note 20)	Additional Paid-in Capital (Note 20)	Remeasurement Gain on Defined Benefit Plans (Note 24)	Retained Earnings		Total	Non-controlling Interest	Total Equity
				Unappropriated (Note 20)	Appropriated (Note 20)			
Balances as at January 1, 2020	₱3,487,727,331	₱15,260,664	₱116,841,237	₱5,658,918,153	₱13,719,000,000	₱22,997,747,385	₱99,886,668	₱23,097,634,053
Net income	–	–	–	1,406,833,028	–	1,406,833,028	(32,000)	1,406,801,028
Other comprehensive loss	–	–	(85,785,084)	–	–	(85,785,084)	–	(85,785,084)
Total comprehensive income	–	–	(85,785,084)	1,406,833,028	–	1,321,047,944	(32,000)	1,321,015,944
Appropriation for project development (Note 20)	–	–	–	(13,500,000,000)	13,500,000,000	–	–	–
Reversal of appropriation (Note 20)	–	–	–	11,241,100,000	(11,241,100,000)	–	–	–
Dividends declared (Note 20)	–	–	–	(1,247,287,502)	–	(1,247,287,502)	(13,573,000)	(1,260,860,502)
Purchase of non-controlling interest	–	–	–	–	–	–	(4,868,410)	(4,868,410)
Balances as at December 31, 2020	₱3,487,727,331	₱15,260,664	₱31,056,153	₱3,559,563,679	₱15,977,900,000	₱23,071,507,827	₱81,413,258	₱23,152,921,085



For the year ended December 31, 2019

Attributable to Equity Holders of the Parent Company

	Attributable to Equity Holders of the Parent Company					Total	Non-controlling Interest	Total Equity
	Capital Stock (Note 20)	Additional Paid-in Capital (Note 20)	Remeasurement Gain on Defined Benefit Plans (Note 24)	Retained Earnings				
				Unappropriated (Note 20)	Appropriated (Note 20)			
Balances as at January 1, 2019	₱3,487,727,331	₱15,260,664	₱268,012,187	₱7,171,047,120	₱10,396,000,000	₱21,338,047,302	₱99,242,236	₱21,437,289,538
Net income	-	-	-	3,086,484,447	-	3,086,484,447	8,484,432	3,094,968,879
Other comprehensive loss	-	-	(151,170,950)	-	-	(151,170,950)	-	(151,170,950)
Total comprehensive income	-	-	(151,170,950)	3,086,484,447	-	2,935,313,497	8,484,432	2,943,797,929
Appropriation for project development (Note 20)	-	-	-	(4,500,000,000)	4,500,000,000	-	-	-
Reversal of appropriation (Note 20)	-	-	-	1,177,000,000	(1,177,000,000)	-	-	-
Dividends declared (Note 20)	-	-	-	(1,275,613,414)	-	(1,275,613,414)	(7,840,000)	(1,283,453,414)
Balances as at December 31, 2019	₱3,487,727,331	₱15,260,664	₱116,841,237	₱5,658,918,153	₱13,719,000,000	₱22,997,747,385	₱99,886,668	₱23,097,634,053

See accompanying Notes to Consolidated Financial Statements.



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱6,080,663,916	₱2,064,302,831	₱4,459,731,537
Adjustments for:			
Depreciation and amortization (Notes 12, 13, 14 and 23)	534,008,418	559,712,830	440,425,897
Interest expense (Notes 16 and 25)	115,006,590	42,820,866	123,896,394
Net movement in net pension liability (Note 24)	85,214,680	(5,347,863)	6,105,798
Unrealized foreign exchange gain	(2,539)	166,582	(30,627)
Equity in net earnings of associates and joint venture (Note 11)	(22,490,145)	(16,600,906)	(57,871,060)
Finance income (Notes 6, 7 and 21)	(341,218,709)	(362,691,126)	(463,765,997)
Gain on sale of undeveloped parcel of land (Notes 9 and 22)	(12,431,642)	(6,406,705)	–
Operating income before changes in working capital	6,438,750,569	2,275,956,509	4,508,491,942
Decrease (increase) in:			
Receivables and contract assets (Note 7)	(6,234,184,638)	(1,555,269,483)	(2,530,893,582)
Real estate inventories (Notes 7, 9 and 16)	1,274,967,706	(2,948,157,527)	(6,285,527,254)
Other current assets (Note 10)	(568,756,375)	(795,812,016)	(380,543,726)
Increase (decrease) in:			
Accounts and other payables (Notes 14 and 18)	(845,712,160)	874,146,770	683,544,980
Liabilities for purchased land (Notes 17 and 25)	(448,235,434)	123,442,490	(105,980,727)
Contract liabilities and customers' advances and deposits (Note 19)	(1,198,307,530)	782,659,608	1,514,025,903
Payables to related parties	(94,105,428)	(231,881,175)	18,479,755
Net cash generated from (used for) operations	(1,675,583,290)	(1,474,914,824)	(2,578,402,709)
Interest received	341,218,709	362,691,126	463,765,997
Income tax paid	(941,399,073)	(813,707,505)	(1,106,790,574)
Interest paid and capitalized as cost of inventory (Notes 9 and 16)	(1,407,899,395)	(1,436,506,095)	(1,186,166,054)
Net cash provided by (used for) operating activities	(3,683,663,049)	(3,362,437,298)	(4,407,593,340)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend from an associate (Note 11)	45,000,000	36,000,000	25,500,000
Proceeds from disposals of:			
Undeveloped land (Note 9)	28,458,000	15,354,000	–
Property and equipment (Note 14)	–	–	–
Additions to:			
Property and equipment (Notes 14 and 18)	(174,377,425)	(436,501,811)	(724,376,509)
Software cost (Note 13)	(2,922,128)	(52,256,674)	(36,856,399)
Investment properties (Note 12)	(253,802)	(5,500,000)	–
Investments in associates and joint venture (Note 11)	(125,000,000)	–	(500,000,000)
Acquisition of noncontrolling interest	–	(4,868,410)	–
Net decrease (increase) in other noncurrent assets	501,404,752	750,497,002	(289,855,885)
Net cash provided by (used for) investing activities	₱272,309,397	₱302,724,107	(₱1,525,588,793)

(Forward)



	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES			
(Note 33)			
Proceeds from loans (Note 16)	₱9,957,831,560	₱10,849,810,000	₱8,970,240,000
Payments of loans (Note 16)	(5,679,191,797)	(8,358,195,851)	(1,990,803,598)
Dividends paid (Note 20)	(1,158,573,000)	(547,287,502)	(1,288,843,414)
Interest paid	(2,755,695)	(15,350,031)	(36,711,923)
Net cash provided by financing activities	3,117,311,068	1,928,976,616	5,653,881,065
EFFECT OF CHANGE IN EXCHANGE RATES ON			
CASH AND CASH EQUIVALENTS	2,539	(166,582)	30,627
NET DECREASE IN CASH AND			
CASH EQUIVALENTS	(294,040,045)	(1,130,903,157)	(279,270,441)
CASH AND CASH EQUIVALENTS AT			
BEGINNING OF YEAR	4,766,268,217	5,897,171,374	6,176,441,815
CASH AND CASH EQUIVALENTS AT			
END OF YEAR (Note 6)	₱4,472,228,172	₱4,766,268,217	₱5,897,171,374

See accompanying Notes to Consolidated Financial Statements.



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

DMCI Project Developers, Inc. (the Parent Company) was incorporated and domiciled in the Republic of the Philippines and registered with the Securities and Exchange Commission (SEC) on April 27, 1995. The Parent Company is organized to deal and engage in the development of residential subdivisions and construction of condominium and housing units. The Parent Company offers range of products from middle-income to high-end housing and condominium projects.

The Parent Company is majority-owned by DMCI Holdings, Inc. (DMCI-HI), its ultimate parent company, partially-owned by D.M. Consunji, Inc. (also a subsidiary of DMCI-HI), and the rest by its directors and officers.

The Parent Company has six (6) wholly owned subsidiaries and one (1) majority owned subsidiary (see Note 2).

On July 14, 2020, the Parent Company purchased 49% of the outstanding shares of Zenith Mobility Services Solutions, Inc. (ZMSSI). Consequently, the direct ownership percentage of the Parent Company over ZMSSI increased from 51% to 100%.

On September 18, 2020, the Parent Company entered into a Share Purchase Agreement to purchase the total outstanding shares or 418,300 common shares of L & I Development Corporation (LIDC), a domestic corporation. On October 1, 2020, the shareholders of LIDC and the Parent Company entered into a deed of assignment of shares to acquire 100% voting shares of LIDC for a total consideration of ₱624.35 million. The primary purpose of LIDC is to engage and deal with the real estate, construction and leasing. The acquisition of LIDC was accounted for as an asset acquisition (see Notes 3 and 9).

The Parent Company's registered office and principal place of business is at DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, Makati City.

The consolidated financial statements of the Group as of December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2020 were approved and authorized for issue by the Board of Directors (BOD) on February 24, 2022.

2. Basis of Preparation

The accompanying consolidated financial statements of the Group have been prepared using the historical cost basis. The consolidated financial statements are presented in Philippine Peso (₱), which is also the Parent Company's functional and presentation currency. All amounts are rounded off to the nearest Peso unless otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs as issued and approved by SEC in response to COVID-19 pandemic.



Through the Parent Company, the Group has availed of the relief granted by the SEC under Memorandum Circular (MC) No. 34-2020 which further extended the deferral of PIC Q&A 2018-12-D (assessment if the transaction price includes a significant financing component) until December 31, 2023.

The Group has also availed of the relief granted by SEC under MC No. 34-2020 deferring the adoption of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, Borrowing Cost (the IFRIC Agenda Decision on Borrowing Cost) until December 31, 2023.

SEC MC No. 34-2020 deferring the adoption of the exclusion of land in the calculation of percentage of completion is not applicable to the Group as it is already complying with the requirements of the provisions of the Philippine Interpretations Committee Q&A No. 2018-12.

As of December 31, 2021 and 2020 capitalized borrowing cost included as part of the carrying amount of real estate inventories amounted to ₱1,297.63 million and ₱1,159.72 as of December 31, 2021 and 2020, respectively (see Note 9).

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations Committee (PIC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and,
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and,
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.



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

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

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any noncontrolling-interests and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (which are all incorporated and domiciled in the Philippines). The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

Subsidiaries	Percentage of ownership		
	2021	2020	2019
Hampstead Gardens Corporation (HGC)	100.00	100.00	100.00
DMCI Homes, Inc. (DHI)	100.00	100.00	100.00
DMCI Homes Property Management Corporation (DPMC)	100.00	100.00	100.00
DMCI-PDI Hotels, Inc. (DPHI)	100.00	100.00	100.00
Zenith Mobility Services Solutions, Inc. (ZMSSI)*	100.00	100.00	51.00
L & I Development Corporation (LIDC)	100.00	100.00	—
Riviera Land Corporation (RLC)	62.62	62.62	62.62

All of Parent Company's subsidiaries have started commercial operations. The related principal activity of these subsidiaries is summarized below:

- a) HGC – real estate developer*
- b) DHI – real estate brokerage*
- c) RLC – real estate developer
- d) LIDC – real estate and leasing services*
- e) DPMC – property management
- f) DPHI – hotel operator
- g) ZMSSI – mobility services provider of the Group

*Ongoing liquidation.

Non-controlling Interests

Non-controlling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group.



Non-controlling interests are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from parent shareholder's equity. Any losses applicable to the non-controlling interests are allocated against the interests of the non-controlling interest even if this results to the non-controlling interest having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction.

Any excess or deficit of consideration paid over the carrying amount of the non-controlling interest is recognized in equity of the parent in transactions where the non-controlling interest are acquired or sold without loss of control.

3. Changes in Accounting Policies

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year, except for the adoption of new standards effective in 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of these new standards did not have a significant impact on the consolidated financial statements of the Group.

- Amendments to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*
The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all criteria provided.

This amendment is not applicable to the Group as there are no rent concessions granted to the Group as a lessee.

- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*
The amendments provide certain temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR), as well as the required disclosures.

This amendment is not applicable to the Group.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the relevant pronouncements when they become effective.



Effective beginning on or after January 1, 2022

- *Amendments to PFRS 3, Reference to the Conceptual Framework*
The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

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

- *Amendments to PAS 16, Plant and Equipment: Proceeds before Intended Use*
The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

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

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

- *Amendments to PAS 37, Onerous Contracts – Costs of Fulfilling a Contract*
The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

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

- *Annual Improvements to PFRSs 2018-2020 Cycle*
 - *Amendments to PFRS 1, First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
 - *Amendments to PFRS 9, Financial Instruments, Fees in the ‘10 per cent’ test for derecognition of financial liabilities*
 - *Amendments to PAS 41, Agriculture, Taxation in fair value measurements*

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



Effective beginning on or after January 1, 2023

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

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

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2024

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

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right



- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

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

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

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

The Group is currently assessing the impact of adopting these amendments.

4. Summary of Significant Accounting Policies

Current versus Noncurrent Classification

The Group presents assets and liabilities in consolidated statement of financial position based on current and noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or,
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.
-

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;



- It is due to be settled within 12 months after reporting date; or,
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

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

Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

The Group's management determined the policies and procedures for both recurring and nonrecurring fair value measurement.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



Recognition and Measurement of Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

a. Initial recognition

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL).

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

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

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

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

The Group's financial assets comprise of financial assets at amortized cost.

b. Subsequent measurement – Financial assets at amortized cost

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

- the asset is held within a business model, the objective of which is to hold financial assets in order to collect contractual cash flows; and,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Receivables from sale of real estate inventories relate to "Installment contracts receivable" account under consolidated statement of financial position caption "Receivables". The Group entered with various purchase agreements with financial institutions whereby the related installment contracts receivable are sold on a with recourse basis. The risk and rewards associated with the asset retains with the Group.



The Group classified cash in banks, cash equivalents, receivables, deposit in escrow fund under “Other current assets”, recoverable deposits and contract retention under “Other noncurrent assets” as financial assets at amortized costs (see Notes 6, 7, 10, 15 and 31).

c. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group’s consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

d. Impairment

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

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash in banks, cash equivalents and deposit in escrow fund, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group’s policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. To estimate the ECL, the Group uses the ratings published by a reputable rating agency.



For receivables and contract retention, except for receivables from related parties where the Group applies general approach, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For its contract assets and installment contracts receivable (ICR), the Group uses the vintage analysis for ECL by calculating the cumulative loss rates of a given ICR pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

As these are future cash flows, these are discounted back to the time of default using the appropriate EIR, usually being the original EIR or an approximation thereof. The Group considers contract assets and installment contracts receivable in default when sales are cancelled and supported by a notarized cancellation letter executed by the Group and unit buyer. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For other receivables, the Group uses a provision matrix to calculate ECLs. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type). The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and change in gross domestic product (GDP). At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

For receivables from related parties, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

a. Initial recognition and measurement

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



All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Transaction costs are deducted against loans payable and are amortized over the terms of the related borrowings using the effective interest method.

The Group's financial liabilities comprise of loans and borrowings (financial liabilities at amortized cost).

b. Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

The Group's loans and borrowings include accounts and other payables, payables to related parties, loans payable and liabilities for purchased land (see Notes 16, 17, 18, 27 and 31).

c. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Group intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Real Estate Inventories

Real estate inventories consist of subdivision land, residential houses and lots and condominium units for sale and development. These are properties acquired or being constructed for sale in the ordinary course of business rather than to be held for rental or capital appreciation. These are held as inventory and are measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Land and land improvement costs;
- Construction and development costs, including amounts paid to contractors; and,
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads, capitalized borrowing costs and other related costs.



NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less costs to complete and the estimated costs of sale. The carrying amount of inventories is reduced through the use of allowance account and the amount of loss is charged to profit or loss.

Undeveloped land is carried at lower of cost and NRV.

The costs of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs. The total costs are allocated pro-rata based on the relative size of the property sold.

Valuation allowance is provided for real estate held for sale and development when the NRV of the properties are less than their carrying amounts.

Investments in Associates and Joint Venture

An associate is an entity in which the Group has significant influence and which is neither a subsidiary. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over these policies.

Joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries. The Group's investment in associates and joint venture are accounted for using equity method.

The investments in associates and joint venture are accounted for in the consolidated financial statements using the equity method. Under the equity method, an investment in an associate or joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in the other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and joint venture is shown on the face of the consolidated statement of income outside of operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate and joint venture. If the Group's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share of further losses.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.



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

Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in the administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through consolidated statement of income. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9, is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with PFRS 9. Other contingent consideration that is not within the scope of PFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU.



Asset Acquisitions

To assess whether a transaction is the acquisition of a business, the Group applies first a quantitative concentration test (also known as a screening test). The Group is not required to apply the test but may elect to do so separately for each transaction or other event. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is required. Otherwise, or if the Group elects not to apply the test, the Group will perform the qualitative analysis of whether an acquired set of assets and activities includes at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

If the assets acquired and liabilities assumed in an acquisition transaction do not constitute a business as defined under PFRS 3, the transaction is accounted for as an asset acquisition. The Group identifies and recognizes the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets) and liabilities assumed. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such transaction or event does not give rise to goodwill. Where the Group acquires a controlling interest in an entity that is not a business, but obtains less than 100% of the entity, after it has allocated the cost to the individual assets acquired, it notionally grosses up those assets and recognizes the difference as non-controlling interests.

Investment Properties

Investment properties comprise of completed properties that are held to earn rentals or capital appreciation or both and that are not occupied by the companies in the Group.

The Group uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation.

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged to profit or loss in the period in which the costs are incurred.

Depreciation of investment properties are computed using the straight-line method over the estimated useful lives (EUL) of assets of 20 years. The EUL and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

Investment properties are derecognized when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statement of income in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of the property for measurement or for disclosure purposes.



Property and Equipment

Property and equipment, except for land, are stated at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment in value.

The initial cost of property and equipment comprises its purchase price, including any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

Depreciation of property and equipment commences once the property and equipment are available for use and is calculated on a straight-line basis over the EUL of the assets, as follows:

	Years
Building and leasehold improvements	20
Office machines and equipment	3
Office furniture and fixtures	3
Transportation equipment	5
Construction machinery and equipment	5

The residual values, EUL and the depreciation method are reviewed at each financial reporting date to ensure that the period and the method of depreciation is consistent with the expected pattern of economic benefits from items of property and equipment.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is credited or charged to the consolidated statement of income.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of income in the year the item is derecognized.

Intangible Assets

Software cost

Costs that are directly associated with identifiable and unique software controlled by the Group and will generate economic benefits exceeding costs beyond one (1) year, are recognized as intangible assets to be measured at cost less accumulated amortization and accumulated impairment, if any. Otherwise, such costs are recognized as expense as incurred.

Expenditures which enhance or extend the performance of computer software programs beyond their original specifications are recognized as capital improvements and added to the original cost of the software. System development costs, recognized as assets, are amortized using the straight-line method over three (3) years. Where an indication of impairment exists, the carrying amount of computer system development costs is assessed and written down immediately to its recoverable amount.



Other Assets

Other current and noncurrent assets pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group.

Advances to contractors and suppliers

Advances to contractors and suppliers are carried at cost less impairment losses, if any. These are classified based on the actual realization of such advances determined with reference to usage/realization of the asset to which it is intended for (e.g., real estate inventories, investment properties, property and equipment).

Deposit in escrow fund

Deposit in escrow pertains to cash deposited in a local bank that is restricted from being exchanged or used to settle a liability. Deposit in escrow is classified as current asset if it is expected to be used and released from restriction within 12 months after the reporting period. Otherwise, this is presented as part of noncurrent assets.

Value-added tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount. The net amount of VAT recoverable and payable from the taxation authority is included as part of "Other current assets" and "Accounts and other payables", respectively, in the consolidated statement of financial position.

The net amount recoverable from, or payable to, the taxation authority within 12 months from end of reporting period is presented as current; otherwise the amount is presented as noncurrent.

Prepaid expenses

Prepaid expenses include prepayments for taxes and licenses and insurance and are carried at cost less amortized portion.

Impairment of Nonfinancial Assets

The Group assesses at each financial reporting date whether there is an indication that its nonfinancial asset (e.g., investment properties, property and equipment, software costs, investments in associates and joint venture, other current and noncurrent nonfinancial assets) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

Property and Equipment, Investment Properties, Software Costs and Other Nonfinancial Assets

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.



A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, depletion and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

Investments in Associates and Joint Venture

For investments in associates and joint venture, after application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in associates or jointly controlled entity is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the carrying value and the recoverable amount of the investee company and recognizes the difference in the consolidated statement of income.

Liabilities for Purchased Land

Liabilities for purchase of land represent unpaid portion of the acquisition costs of raw land for future development, including other costs and expenses incurred to effect the transfer of title of the property. Noncurrent portion of the carrying amount is discounted using the applicable interest rate for similar type of liabilities at the inception of the transactions.

Equity

Capital stock

The Group records capital stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity share.

When the shares are sold at premium, the difference between the proceeds at the par value is credited to "Additional paid-in capital" account. Direct costs incurred related to equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Retained earnings

Retained earnings represent accumulated earnings of the Group, less dividends declared and adjustments resulting from adoption of new accounting policy/standard. Appropriated retained earnings are set aside for future business expansions.

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

Other comprehensive income (OCI)

OCI comprises of items of income and expense that are not recognized in the consolidated profit or loss for the year in accordance with PFRSs. OCI of the Group pertains to remeasurements, which consist of the actuarial gains and losses during the year on the defined benefit obligation.



Revenue and Cost Recognition

Revenue from Contract with Customers

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contract with customers is recognized when control of the goods or services are transferred to the customer at the amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to their customers. The following specific recognition criteria must also be met before revenue is recognized:

Revenue recognized over time using output method

- *Real estate sales*

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

In measuring the progress of its performance obligation over time, the Group uses output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report prepared by project engineers, and reviewed and approved by area managers under construction department which integrates the surveys of performance to date of the construction activities for both subcontracted and those that are fulfilled by the developer itself.

Any excess of progress of work over the right to an amount of consideration that is unconditional (recognized as installment contracts receivables under "Receivables") is included in the "Contract assets" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized installment contracts receivable and contract assets is included in the "Contract liabilities" account in the liabilities section of the consolidated statement of financial position. The impact of the significant financing component on the transaction price has not been considered since the Group availed the relief granted by the SEC under Memorandum Circular Nos. 14-2018 as of 2018 for the implementation issues of PFRS 15 affecting the real estate industry. Under the SEC Memorandum Circular No. 34, the relief has been extended until December 31, 2023.

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



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

- *Revenue from property management services*
Revenue from property management services are derived from management and reimbursable fees charged to condominium corporations and homeowners' associations.

Revenue from management services is recognized over time as the customers receives and consumes the benefit from the management services provided by the Group to the condominium corporations and homeowners' association over the contract period. Reimbursable fees are charges for the directly employed personnel in condominium corporations and homeowners' association such as property manager, facilities officer, property accountant and other administrative officers to manage and operate the condominium corporation.

The customers are billed for a fixed fee every month for the management services provided and each personnel deployed with the related statement of account for the charges. As a practical expedient allowed under PFRS 15, the Group recognizes revenue in the amount to which the Group has a right to invoice since the right to the consideration from customer corresponds directly with the value of the entity's completed performance to date. The Group also availed of the practical expedient in PFRS 15 on the disclosure of information about the transaction price allocated to remaining performance obligations given that the entity recognizes revenue directly with the value of entity's performance completed to date.

Cost of property management pertains to actual cost incurred from salaries, wages and benefits paid out to manpower deployed by the Group to condominium corporations and homeowners' associations.

- *Revenue from elevator maintenance services*
Service revenue is recognized over time, as the customers receives and consumes the benefit from the performance of the related elevator and maintenance services. The customers are billed for a fixed fee every month upon submission of the invoice together with the related service report by the Group. As a practical expedient allowed under PFRS 15, the Group recognizes revenue in the amount to which the Group has a right to invoice since the Group bills a fixed amount of maintenance fee as stipulated in the contract.

Revenue recognized over time using input method

- *Contractor's revenue*
Revenue from construction contracts are recognized over time (POC) using the input method. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation, or the total estimated costs of the project. The Group uses the cost accumulated by the accounting department to determine the actual resources used. Input method exclude the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.



Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total unavoidable contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements that may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined. Profit incentives are recognized as revenue when their realization is reasonably assured. Contract receivables are presented as part of "Trade receivables" under the "Receivables" account in the consolidated statement of financial position. Contract retention is presented as part of "Other noncurrent assets" account in the consolidated statement of financial position. The liability "Billings in excess of costs and estimated earnings on uncompleted contracts", which is presented under "Contract liabilities", represents billings in excess of total costs incurred and estimated earnings recognized.

Revenue recognized at a point in time

- *Revenue from hotel services*

Revenue from hotel services such as room use, food and beverage sales and other departments are recognized when the related sales and services are rendered.

The Group sells food and beverage that are either sold separately or bundled together with the room accommodation services to a guest. The sale of food and beverage can be obtained from other providers and do not significantly customize or modify the room accommodation services. Contracts for bundled sale of food and beverage and room accommodation services are comprised of two (2) performance obligations because the promises to sell food and beverage and provide room accommodation services are capable of being distinct and separately identifiable.

The performance obligation for room accommodation and food and beverage services are expected to be recognized within one (1) year. The Group has applied the practical expedient not to disclose remaining performance obligations for contracts with original expected duration of less than one (1) year.

Cost of hotel services include expenses incurred by the Group for the generation of revenue from room rentals, food and beverage sales, transportation services and other hotel income. This amount also includes plates, utensils, drinking vessels and bed linens. Departmental costs and expenses are expensed as incurred.

- *Revenue from elevator and installation services*

Sales revenue pertains to the delivery and installation of spare parts and equipment. The installation required is performed only by the Group as agreed with the customers and is not allowed of being performed by several alternative service providers. Given this, the customer cannot benefit from the equipment on its own. Accordingly, management determines that the equipment and installation are not separable and represent one (1) performance obligation. Revenue from the sale of equipment and installation service is recognized at a point in time because the equipment has no design specifications that are unique to the customer. Revenue is recognized when control of the asset is transferred to the customer upon acceptance by the customer and installation of the asset. The performance obligation for the delivery of spare parts and equipment and installation are expected to be recognized within one (1) year.



Contract Balances

Receivables

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

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. This is reclassified as installment contracts receivable when the monthly amortization of the customer is already due for collection.

Contract liabilities

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

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced. Contract liability also arises from billings, including advances from contract owner, in excess of total costs incurred and estimated earnings recognized. Using the practical expedient in PFRS 15 (except for customer contracts related to real estate sales where the Group opted to defer the accounting for significant financing component), the Group does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised service to the customers and when the customer pays for that service will be one (1) year or less.

Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group's commission payments to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to "Cost of real estate sales" account in the consolidated statement of income in the period in which the related revenue is recognized as earned. Capitalized cost to obtain a contract is included in "Other current and noncurrent assets" account in the consolidated statement of financial position. Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract fulfillment assets

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

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



The Group's contract fulfillment assets pertain to connection fees and land acquisition costs included in the "Real Estate Inventories" account in the consolidated statement of financial position.

Amortization, derecognition and impairment of contract fulfillment assets and capitalized costs to obtain a contract

The Group amortizes contract fulfillment assets and capitalized costs to obtain a contract to cost of real estate sales over the expected construction period using POC, following the pattern of real estate revenue recognition.

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

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

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

Where a contract is anticipated to make a loss, there judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Other Revenue and Income Recognition

Forfeitures and cancellation of real estate contracts

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

Finance income

Interest income is recognized as it accrues (using the EIR method, i.e, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividend income

Dividend income is recognized when the Group's right as a shareholder to receive payment is established, which is generally when BOD approve the dividend.

Management fees

Revenue from management fees is recognized when earned and is included in the "Other income" account under the consolidated statement of income.



Rental income

Rental income from investment properties is recognized in profit or loss on a straight-line basis over the lease term for non-cancellable lease or based on the terms of the lease contract for cancellable lease. This is included under “Other income” account in the consolidated statement of income.

Other income

Other income is recognized when the related services have been rendered.

General, Administrative and Other Expenses

These are recognized in the consolidated statement of income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the consolidated statement of income:

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

Costs and expenses are generally recognized as they are incurred and measured at the amount paid or payable.

Foreign Currency Translations and Transactions

The Group’s consolidated financial statements are presented in Philippine Peso, which is its functional and presentation currency. Each entity within the Group determines its own functional currency and items included in the consolidated financial statements are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the financial reporting date. All differences are taken to the consolidated statement of income for the year.

Pension Costs

The Group has a noncontributory defined benefit multiemployer retirement plan.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.



Defined benefit costs comprise the following:

- Service cost;
- Net interest on the net defined benefit liability or asset; and,
- Remeasurements of net defined benefit liability or asset.

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

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

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

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Borrowing Costs

As discussed above, the Group availed of the relief granted by SEC under MC No. 34-2020 (see Note 9). Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in "Real estate inventories" account in the consolidated statement of financial position). All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.



Capitalization of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Borrowing costs are also capitalized on the purchased cost of a site property acquired specially for development but only where activities necessary to prepare the asset for development are in progress.

Income Taxes

Current tax

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

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized OCI or in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences with certain exception. Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in associates and joint ventures.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the financial reporting date. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged against or credited to income for the period.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.



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

Leases

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

Group as Lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized as income on a straight-line basis over the lease term and is included as other income in the consolidated statement of income. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rent is recognized as revenue in the period it is earned.

Group as Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Group has no lease arrangements qualifying under PFRS 16.

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

Earnings Per Share (EPS)

Basic EPS is computed by dividing the consolidated net income for the year attributable to equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year and adjusted to give retroactive effect to any stock dividends declared during the period.

Diluted EPS is computed by dividing the net income for the year attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year adjusted for the effects of dilutive convertible redeemable preferred shares. Diluted EPS assumes the conversion of the outstanding preferred shares, if any. When the effect of the conversion of such preferred shares is anti-dilutive, no diluted EPS is presented.

Provisions

Provisions are recognized only when the Group has: (a) a present obligation (legal or constructive) as a result of a past event; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and, (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at each financial reporting date and adjusted to reflect the current best estimate.



Contingencies

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

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group generally accounts for intersegment revenues and expenses at agreed transfer prices. Financial information on business segments is presented in Note 29 to the consolidated financial statements.

Events After the Reporting Period

Post year-end events up to the date of the auditor's report that provide additional information about the Group's position at reporting date (adjusting events) are reflected in the consolidated financial statements. Any post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

5. Significant Accounting Judgments and Estimates

The preparation of the accompanying consolidated financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Revenue recognition method and measure of progress

The Group concluded that revenue for real estate sales is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use, and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. The Group also considers the buyer's commitment to continue the sale which may be ascertained through the significance of the buyer's initial payments and the stage of completion of the project. In determining whether the sales prices are collectible, the Group considers that initial and continuing investments of the buyer reaching a certain level of payment which would demonstrate the buyer's commitment to pay. Collectability is also assessed by considering factors such as history with the buyer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of buyers' equity before allowing revenue recognition.



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

Assessment of significant influence

The Group classifies its investee companies as an associate if the Parent Company has significant influence in the investee company. Significant influence is presumed to exist if the Parent Company has a holding of 20.00% or more of the voting power of the investee. Holding of less than 20.00% of the voting power is presumed not to give rise to significant influence, unless it can be clearly demonstrated that there is in fact significant influence.

As of December 31, 2021 and 2020, the Parent Company holds 4.62% interest in Celebrity Sports Plaza, Inc. (CSPI). The Parent Company exercises significant influence in CSPI due to the presence of the Parent Company's Chairman in the Board of CSPI. Hence, the Chairman of the Parent Company, effectively, have a participation in the policy-making processes of CSPI (see Note 11).

Impairment of nonfinancial assets

The Group assesses the impairment of nonfinancial assets (e.g., investment properties, property and equipment, software costs, investments in associates and joint venture and other nonfinancial assets) whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of usage of the acquired assets or the strategy for the Group's overall business; and,
- significant negative industry or economic trends.

The Group estimates the recoverable amount as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use or its net selling price. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

As of December 31, 2021 and 2020, no indicators of impairment have been identified for the Group's nonfinancial assets. See Notes 10, 11, 12, 13, 14 and 15 for the carrying values of these nonfinancial assets.

Evaluation whether the acquired set of assets constitute a business

In determining whether a transaction or an event is a business combination, the Group assessed whether the assets acquired and liabilities assumed constitute a business. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. Further, a business consists of inputs and processes applied to those inputs that have the ability to create outputs.

The Parent Company and LIDC executed a deed of assignment of shares wherein the shareholders of LIDC sells, conveys, transfers, and assigns all their rights, interests and titles in and to the shares for a total consideration amounting to ₱624.35 million. As of purchase date, the assets of LIDC mainly consists of land and building leased out to tenants. The Group assessed that the acquisition does not constitute a business. In making the judgment, the Group elected to apply the optional concentration test to determine whether the acquired land to be used for future projects constitute a business. The



Group has determined that the acquisition is a purchase of an asset as the acquisition passed the concentration test due to: a) the land and building is considered a single identifiable asset b) substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset. As such, the transaction was accounted for as an acquisition of an asset and the entire consideration was recognized as part of real estate inventories in the consolidated statement of financial position (see Note 9).

Contingencies

The Group is involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside legal counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe these proceedings will have a material effect on the Group's financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (see Note 28).

Management's Use of Estimates

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

Revenue and cost recognition on real estate projects

The assessment process for the POC and the estimated project development costs requires technical determination by management's specialists (project engineers). The Group applies POC method in determining real estate revenue. The POC is measured principally on the basis of the estimated completion of a physical proportion of the contract work based on the inputs of the internal project engineers.

In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group.

Revenue from real estate sales amounted to ₱24,101.97 million, ₱15,854.27 million and ₱18,073.95 million in 2021, 2020 and 2019, respectively (see Note 29).

Provision for expected credit losses

The Group uses the vintage approach for installment contracts receivable and contract assets and provision matrix for other receivables to calculate ECLs.

(i) Installment contracts receivable and contract assets

Vintage analysis calculates the vintage default rate of each period through a ratio of default occurrences of each given point in time in that year to the total number of receivable issuances or occurrences during that period or year. The rates are also determined based on the default occurrences of customer segments that have similar loss patterns (i.e., by payment scheme).

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



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

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

(ii) Other receivables

The Group uses a provision matrix to calculate ECLs for other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. No resulting expected credit losses resulted from the analysis.

Receivables of the Group that were impaired and fully provided with allowance through specific identification amounted to ₱43.71 million and ₱33.18 million as of December 31, 2021 and 2020, respectively (see Note 7).

Evaluation of net realizable value of real estate inventories

The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In evaluating NRV, recent market conditions and current market prices have been considered.

Real estate inventories carried at cost amounted to ₱41,236.26 million and ₱40,914.58 million as of December 31, 2021 and 2020, respectively (see Note 9).

Estimating useful lives of property and equipment, software costs and investment properties

The Group estimates the useful lives of its property and equipment, software costs, investment properties based on the period over which the assets are expected to be available for use. The EUL of property and equipment, software costs and investment properties are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. A reduction in the EUL of investment properties, software costs and property and equipment would increase the recorded depreciation and amortization expense and decrease the related asset accounts.



The carrying value of the Group's property and equipment amounted to ₱1,751.85 million and ₱1,917.93 million as of December 31, 2021 and 2020, respectively (see Note 14). The carrying value of software amounted to ₱12.61 million and ₱66.56 million as of December 31, 2021 and 2020, respectively (see Note 13). The carrying value of investment properties amounted to ₱95.66 million and ₱109.11 million as of December 31, 2021 and 2020, respectively (see Note 12).

Recognizing deferred tax assets

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

The deferred tax assets recognized amounted to ₱126.94 million and ₱120.56 million as of December 31, 2021 and 2020, respectively. The unrecognized deferred tax assets of the Group amounted to ₱20.89 million and ₱31.83 million as of December 31, 2021 and 2020, respectively (see Note 26).

Estimation of defined benefit obligation and other retirement benefits

The determination of the obligation and cost of retirement and other employee benefits is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rates, salary increase rates and pension increases (see Note 24). Actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While the Group believes that the assumptions are reasonable and appropriate, significant differences between actual experiences and assumptions may materially affect the cost of employee benefits and related obligations.

The Group also estimates other employee benefits obligation and expense, including the cost of paid leaves based on historical leave availment of employees, subject to the Group's policy. These estimates may vary depending on the future changes in salaries and actual experiences during the year. The net pension liabilities as at December 31, 2021 and 2020 amounted to ₱150.61 million and ₱248.60 million, respectively (see Note 24).

6. Cash and Cash Equivalents

	2021	2020
Cash on hand and in banks	₱3,677,234,022	₱3,241,785,250
Cash equivalents	794,994,150	1,524,482,967
	₱4,472,228,172	₱4,766,268,217

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months, depending on the immediate cash requirements of the Group, and earn interest at the prevailing short-term investment rates ranging from 0.19% to 1.75% in 2021, 0.50% to 3.50% in 2020 and 2.00% to 7.00% in 2019.

Interest income earned on bank deposits and cash equivalents amounted to ₱20.78 million, ₱49.69 million and ₱186.11 million for the years ended December 31, 2021, 2020 and 2019, respectively (see Note 21).



7. Receivables

	2021	2020
Trade		
Installment contracts receivable	₱2,776,999,872	₱5,627,899,190
Receivables from buyers	743,120,459	837,840,279
Property management services	164,102,443	148,758,324
Contracts receivable (Note 27)	180,638,449	115,178,869
Elevator and maintenance	18,726,616	28,910,571
Hotel operations	2,476,034	1,930,800
Receivables from:		
Condominium corporations	409,727,085	379,503,663
Rental (Note 28)	76,392,799	69,739,790
Employees	34,537,220	30,006,898
Related parties (Note 27)	120,475,770	17,189,720
Others	181,304,867	127,625,464
	4,708,501,614	7,384,583,568
Less allowance for expected credit losses (Note 5)	43,708,281	33,181,251
	₱4,664,793,333	₱7,351,402,317

Installment contracts receivable

Installment contracts receivable consists of accounts collectible in equal monthly principal installments with various terms up to a maximum of 10 years. These are recognized at amortized cost using the effective interest method with an annual interest rates ranging from 9.00% to 19.00%. The corresponding titles to the residential units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. Installment contracts receivable are collateralized by the related property sold. The Group records any excess of progress of work over the right to an amount of consideration that is unconditional as contract assets (see Note 8). Interest income from installment contracts receivable amounted to ₱320.43 million, ₱313.00 million and ₱277.66 million in 2021, 2020 and 2019, respectively (see Note 21).

The Group entered into various receivable purchase agreements with various local banks whereby the Group sold its installment contracts receivable on a “with recourse basis”. As of December 31, 2021 and 2020, available credit line for this facility amounted to ₱2,846.65 million and ₱1,970.79 million, respectively.

The Group retains the assigned receivables in the “Installment contracts receivable” account and records the proceeds from these sales as loans payable. The carrying value of installment contracts receivable sold on a with recourse basis and the corresponding outstanding loan obligation amounted to ₱2,441.03 million and ₱55.65 million as of December 31, 2021 and 2020, respectively (see Note 16).

Receivables from buyers

Receivables from buyers pertain to advances for real estate taxes, deposits and other chargeable expenses to buyers which are normally collectible within one (1) year.

Receivables from property management services

Receivables from property management services arise from reimbursable and management fees charged to various condominium corporations and homeowners association for the administration and management of condominiums for the benefit of the unit owners and the occupants.



Contracts receivable

Contracts receivable consists of amounts arising from the construction activities in relation to the joint venture with RDPVI. These receivables are based on progress billings provided to customers over the period of construction.

Receivables from elevator and maintenance services

Receivables from elevator and maintenance services refers to outstanding billings for services rendered arising from maintenance of elevators. This account is noninterest-bearing and generally collectible within one (1) year.

Receivables from hotel operations

Receivables from hotel operations pertain to unpaid customer billings for charges from room accommodations, sale of food and beverage, and transportation services.

Receivable from condominium corporations

Receivables from condominium corporations are due and demandable.

Receivable from rental

Receivables from rental arising from lease of investment properties are due and demandable.

Receivable from employees

Receivables from employees pertain to salary and other loans granted to the Group's employees that are collectible through salary deduction, are noninterest-bearing and has various maturity dates and advances for liquidation to be used for operations.

Others

Others include advances to brokers which are expected to be collected within one (1) year. The Group recognized provision for expected credit loss amounting to ₱10.53 million, ₱22.67 million and ₱8.46 million in 2021, 2020 and 2019, respectively, for individually impaired receivables from property management services. These expected credit losses are recognized under "General and administrative expenses" account in the consolidated statements of income (see Note 23).

Movements in the allowance for expected credit losses are as follows:

2021					
Receivables					
	Developer	Hotel	Property Management	Others	Total
At January 1	₱-	₱-	₱32,644,530	₱536,721	₱33,181,251
Provision (Note 23)	-	-	10,527,030	-	10,527,030
At December 31	₱-	₱-	₱43,171,560	₱536,721	₱43,708,281

2020					
Receivables					
	Developer	Hotel	Property Management	Others	Total
At January 1	₱-	₱-	₱9,979,030	₱536,721	₱10,515,751
Provision (Note 23)	-	-	22,665,500	-	22,665,500
At December 31	₱-	₱-	₱32,644,530	₱536,721	₱33,181,251



8. Contract Assets

	2021	2020
Current portion	₱10,865,845,025	₱7,694,660,988
Noncurrent portion	12,455,643,184	6,706,033,597
	₱23,321,488,209	₱14,400,694,585

The movement in contract assets is mainly due to new real estate sales recognized during the period and increase in construction accomplishments resulting to higher percentage of completion. This is reduced by the reclassification to installment contracts receivable when monthly amortization of the customer becomes due for collection.

9. Real Estate Inventories

	2021	2020
Condominium units and subdivision land for sale	₱23,236,211,508	₱22,790,448,510
Land - at cost	18,000,049,508	18,124,128,793
	₱41,236,261,016	₱40,914,577,303

Real estate inventories are carried at cost which is lower than their respective net recoverable value.

Borrowing costs capitalized in 2021, 2020 and 2019 amounted to ₱1,407.90 million, ₱1,436.51 million and ₱1,186.17 million, respectively. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization in 2021, 2020 and 2019 are 4.60%, 5.01% and 5.59%, respectively (see Notes 3 and 16). The capitalized amount is the actual borrowing costs incurred, less any investment income on temporary investment of the borrowing. As of December 31, 2021 and 2020, the capitalized borrowing cost included in the cost of inventories as of the same dates amounted to ₱1,297.63 million and ₱1,159.72 million, respectively.

No provision for impairment and reversal were recognized in 2021, 2020 and 2019. There are no real estate inventories used as collateral or pledged as security to secure liabilities.

A summary of the movement in real estate inventories is set out below:

	2021	2020
Balance at beginning of year	₱40,914,577,303	₱36,901,428,819
Construction/development cost incurred	14,610,522,721	11,616,551,081
Land acquired	589,788,407	3,213,208,505
Borrowing costs capitalized (Note 16)	1,407,899,395	1,436,506,095
Cost of undeveloped land sold	(16,026,358)	(8,947,295)
Transfer to property and equipment (Note 14)	(140,134,599)	(362,567,843)
Cost of real estate sales	(16,130,365,853)	(11,881,602,059)
Balance at end of year	₱41,236,261,016	₱40,914,577,303

As discussed in Note 1, On October 1, 2020, the acquisition of LIDC was considered as acquisition of an asset and did not result to any goodwill. The purchase price consideration has been fully allocated to undeveloped land acquired during the 2020 amounting to ₱624.35 million since the land will be used by the Group for its future residential projects with the intention to sell in the ordinary course of business.



The Group sold undeveloped parcels of land in 2021 and 2020 at a gain of ₱12.43 million and ₱6.41 million, respectively (nil in 2019). The gain on sale of land is presented under "Other income" account in the consolidated statements of income (see Note 22).

Costs of real estate sales include acquisition cost of land, cost of land improvements, amount paid to contractors, development costs, capitalized borrowing costs and other costs attributable to bringing the real state inventories to its intended condition. Depreciation expense included in the cost of real estate sales amounted to ₱321.82 million, ₱299.41 million and ₱189.48 million in 2021, 2020 and 2019, respectively (see Note 14).

10. Other Current Assets

	2021	2020
Advances to contractors and suppliers	₱1,555,363,590	₱1,465,160,781
Cost to obtain a contract - current portion	1,168,965,160	1,183,706,136
Creditable withholding tax	385,053,159	71,028,233
Deposit in escrow fund (Note 31)	340,623,169	229,206,785
Prepaid expenses	93,182,214	89,715,634
Input VAT - net	4,506,418	4,191,907
Others	226,462,997	162,390,857
	₱3,774,156,707	₱3,205,400,333

Advances to contractors and suppliers

Advances to contractors and suppliers are advance payments in relation to the Group's project development (part of real estate inventories).

Cost to obtain a contract

The Group recognized as an asset the costs to obtain a contract with customer. These pertain to commissions paid to brokers and marketing agents on the sale of real estate units.

The balance below pertains to the cost to obtain contracts included in the other current and noncurrent assets:

	2021	2020
Balance at beginning of the year	₱3,135,321,251	₱3,421,818,201
Additions	489,944,000	617,382,042
Amortization	(1,133,398,362)	(903,878,992)
Balance at end of the year	2,491,866,889	3,135,321,251
Less noncurrent portion (Note 15)	1,322,901,729	1,951,615,115
	₱1,168,965,160	₱1,183,706,136

Amortization of capitalized commission and advance commissions which are expensed as incurred totaling to ₱1,148.03 million, ₱963.49 million and ₱833.41 million are presented under "Costs of real estate sales" account in the consolidated statements of income for the year ended December 31, 2021, 2020 and 2019, respectively.

Deposit in escrow fund

Deposit in escrow fund pertains to fund deposits for securing license to sell (LTS) of the Group's real estate projects.



Details of the Group's acquisition of investments in associates and joint venture and the corresponding percentages of ownership are shown below:

	2021		2020	
	Percentages of Ownership	Acquisition Cost	Percentages of Ownership	Acquisition Cost
Associates:				
Subic Water and Sewerage Company (Subic Water)	30.00%	₱27,467,400	30.00%	₱27,467,400
CSPI	4.62%	16,900,000	4.62%	16,900,000
Contech Products South (Acotec)	33.00%	4,485,715	33.00%	4,485,715
CSN Properties, Inc. (CSN)	45.00%	1,752,265	45.00%	1,752,265
		50,605,380		50,605,380
<i>(Forward)</i>				
Joint venture:				
RLC DMCI Property Ventures, Inc. (RDPVI)	50.00%	₱500,000,000	50.00%	₱500,000,000
DMC Estate Development Ventures Inc (DMC EDVI)	50.00%	125,000,000		–
		625,000,000		500,000,000
Total investment		675,605,380		550,605,380
Less allowance for impairment losses		(6,237,980)		(6,237,980)
		₱669,367,400		₱544,367,400

CSPI

In 2015, the Group made investments to CSPI amounting ₱13.40 million. In 2016, the Group disposed two (2) shares of CSPI with par value of ₱100,000 per share at ₱0.14 million and ₱0.12 million. The Parent Company acquired additional 37 shares of CSPI with par value of ₱100,000 per share at ₱3.70 million. These transactions resulted to increase of percentage of ownership in the associate to 4.62% in 2016 from 3.94% in 2015. No additional acquisition or disposal was made subsequent to 2016.

Subic Water

On January 22, 1997, the Group subscribed to 3,662,320 shares for an aggregate value of ₱36.62 million in Subic Water, a then joint venture company with Subic Bay Metropolitan Authority (a government-owned corporation), Olongapo City Water District and Cascal Services Limited (a company organized under the laws of England). The agreement executed by the parties on November 24, 1996 stipulated, among others, that the Group shall have an equity participation equivalent to 40% in Subic Water amounting ₱74.80 million (based on the initial subscribed and paid-up capital of ₱187.00 million). The balance of the Group's committed subscription to Subic Water of ₱38.00 million (net of additional subscription payment of ₱4.00 million in 1998) is expected to be paid on or before the second anniversary of the date of effectivity. As of December 31, 2021 and 2020, such committed subscription has not yet been paid.

On April 1, 2016, the Group disposed its 915,580 shares of Subic Water with par value of ₱10.00 per share at ₱190.70 million, net of capital gains tax of ₱20.14 million, with a gain on sale of ₱181.28 million. This resulted to decrease in Parent Company's percentage of ownership in the associate to 30%. In 2021, 2020 and 2019, dividends received from Subic Water amounted to ₱45.00 million, ₱36.00 million and ₱25.50 million, respectively.

CSN and Acotec

In previous years, allowance for impairment losses was provided for the Group's investments in CSN and Acotec amounting ₱1.75 million and ₱4.49 million, respectively.



RDPVI

In October 2018, the Group and Robinsons Land Corporation (RLC) entered into a joint venture agreement to develop a condominium project. Each party will hold a 50% ownership interest in the joint venture.

In March 2019, RDPVI, the joint venture entity, was incorporated to purchase, acquire and develop into a residential condominium project a portion of the parcels of land situated in Las Piñas City and to operate, manage, sell and/or lease the resulting condominium units and parking spaces therein. The Group contributed ₱500.00 million for the capital of RDPVI.

DMC Estate Development Ventures Inc. (DMC EDVI)

In January 2021, the Group and DMC Urban Property Developers, Inc. (UPDI) entered into a joint venture agreement to purchase, acquire and develop parcels of land into condominium projects for residential and commercial uses. Each party will hold a 50% ownership interest in the joint venture.

In June 2021, DMC EDVI was incorporated to engage in the purchase, lease, development and sale of real estate properties for the proposed projects for this called “Fortis Property” and “Ziebart Property” both located at Chino Roces Ave., Makati City and “Delta Property” located at Quezon corner West Avenue, Quezon City. The Group contributed ₱125.00 million for the capital of DMC EDVI.

The following table summarizes the significant financial information on the Group’s investments in associates and joint venture that are material to the Group:

	December 31, 2021				
	Subic Water	CSPI	RDPVI	DMC EDVI	Total
Assets					
Current assets	₱492,719,271	₱93,964,644	₱2,899,480,538	₱250,000,000	₱3,736,164,453
Noncurrent assets	1,323,436,683	1,378,916,776	88,497,428	–	2,790,850,887
	₱1,816,155,954	1,472,881,420	₱2,987,977,966	₱250,000,000	₱6,527,015,340
Liabilities					
Current liabilities	₱200,566,388	₱44,930,526	₱340,010,589	₱–	₱585,507,503
Noncurrent liabilities	209,998,079	385,874,924	1,632,661,918	–	2,228,534,921
	₱410,564,467	₱430,805,450	₱1,972,672,507	₱–	₱2,814,042,424
Equity	₱1,405,591,487	₱1,042,075,970	₱1,015,305,459	₱250,000,000	₱3,712,972,916
Revenue	₱727,720,701	₱74,244,408	₱213,305,570	₱–	₱1,015,270,679
Net income (loss)	₱94,270,314	(₱14,398,128)	₱35,725,416	₱–	₱115,597,602

	December 31, 2020			
	Subic Water	CSPI	RDPVI	Total
Assets				
Current assets	₱441,871,791	₱80,021,256	₱2,264,265,549	₱2,786,158,596
Noncurrent assets	1,349,462,237	1,370,640,390	100,883,588	2,820,986,215
	₱1,791,334,028	₱1,450,661,646	₱2,365,149,137	₱5,607,144,811
Liabilities				
Current liabilities	₱211,897,623	44,592,082	₱317,250,653	₱573,740,358
Noncurrent liabilities	144,063,619	377,244,722	1,068,318,443	1,589,626,784
	₱355,961,242	₱421,836,804	₱1,385,569,096	₱2,163,367,142
Equity	₱1,435,372,786	₱1,028,824,842	₱979,580,041	₱3,443,777,669
Revenue	₱736,074,573	₱61,388,805	₱6,211,645	₱803,675,023
Net income (loss)	₱121,568,666	(₱16,675,616)	(₱7,691,524)	₱97,201,526



The reconciliation of the net assets to the carrying amounts of the interests in associates and joint venture are recognized in the consolidated financial statements as follows:

	2021				Total
	Subic Water	CSPI	RDPVI	DMC EDVI	
Net assets of associates and joint venture	₱1,405,591,487	₱1,042,075,970	₱1,015,305,459	₱250,000,000	₱3,712,972,916
Proportionate ownership in the associates and joint venture	30.00%	4.62%	50.00%	50.00%	
Share in net identifiable assets of common control	421,677,446	48,143,910	507,652,730	125,000,000	1,102,474,086
Notional goodwill and other adjustments	(43,520,571)	(32,082,499)	(33,241,981)	–	(108,845,051)
Carrying value of investments	₱378,156,875	₱16,061,411	₱474,410,749	₱125,000,000	₱993,629,035

	2020				Total
	Subic Water	CSPI	RDPVI		
Net assets of associates and joint venture	₱1,435,372,786	₱1,028,824,842	₱979,580,041		₱3,443,777,669
Proportionate ownership in the associates and joint venture	30.00%	4.62%	50.00%		
Share in net identifiable assets of common control	430,611,836	47,531,708	489,790,021		967,933,565
Notional goodwill and other adjustments	(35,736,055)	(30,805,103)	(10,253,517)		(76,794,674)
Carrying value of investments	₱394,875,781	₱16,726,605	₱479,536,504		₱891,138,890

12. Investment Properties

	2021	2020
Cost		
At January 1	₱215,084,207	₱209,584,207
Additions	253,802	5,500,000
At December 31	215,338,009	215,084,207
Accumulated Amortization		
At January 1	105,977,861	93,075,463
Amortization (Note 23)	13,695,302	12,902,398
At December 31	119,673,163	105,977,861
Net Book Value	₱95,664,846	₱109,106,346

Investment properties mostly consist of condominium units and office space held for rental. Rental income on investment properties amounted to ₱44.66 million, ₱51.12 million and ₱21.77 million for the years ended December 31, 2021, 2020 and 2019, respectively (see Notes 22 and 28).



The fair value of investment properties, which has been determined using discounted cash flow (DCF) model with discount rates ranging from 1.66% to 4.20% and 1.71% to 2.50% in 2021 and 2020, respectively, exceeds its carrying cost. This is categorized within Level 3 of the fair value hierarchy. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The aggregate fair value at the date of valuation amounted to ₱152.96 million and ₱145.25 million as of December 31, 2021 and 2020, respectively.

There are no investment properties as of December 31, 2021 and 2020 that are pledged as security to liabilities. The Group has no restrictions on the realizability of its investment properties and no contractual obligations to either purchase or construct or develop investment properties or for repairs, maintenance and enhancements.

13. Software Cost

	2021	2020
Cost		
At January 1	₱385,631,142	₱333,374,468
Additions	2,922,128	52,256,674
Reclassification	(17,152,783)	–
At December 31	371,400,487	385,631,142
Accumulated Amortization		
At January 1	319,070,796	276,332,395
Amortization (Note 23)	39,716,285	42,738,401
At December 31	358,787,081	319,070,796
Net Book Value	₱12,613,406	₱66,560,346

14. Property and Equipment

	2021					
	Land, building and building improvements	Office machines and equipment	Office furniture and fixtures	Transportation equipment	Construction machinery and equipment	Total
Cost						
Balance at beginning of year	₱984,182,202	₱341,048,026	₱119,837,317	₱265,671,892	₱3,029,958,134	₱4,740,697,571
Additions	10,785,939	19,992,476	143,567	3,319,749	140,135,694	174,377,425
Reclassification from real estate inventories (Note 9)	140,134,599	–	–	–	–	140,134,599
Balance at end of year	1,135,102,740	361,040,502	119,980,884	268,991,641	3,170,093,828	5,055,209,595
Accumulated Depreciation						
Balance at beginning of year	313,259,724	277,378,012	118,060,934	224,844,140	1,889,221,577	2,822,764,387
Depreciation (Notes 9 and 23)	30,279,776	35,683,876	1,183,076	21,532,100	391,918,003	480,596,831
Balance at end of year	343,539,500	313,061,888	119,244,010	246,376,240	2,281,139,580	3,303,361,218
Net Book Value	₱791,563,240	₱47,978,614	₱736,874	₱22,615,401	₱888,954,248	₱1,751,848,377



	2020					
	Land, building and building improvements	Office machines and equipment	Office furniture and fixtures	Transportation equipment	Construction machinery and equipment	Total
Cost						
Balance at beginning of year	₱618,954,484	₱299,174,000	₱118,732,584	₱255,101,020	₱2,632,284,883	₱3,924,246,971
Additions	2,659,875	41,874,026	1,104,733	10,570,872	397,673,251	453,882,757
Reclassification from undeveloped land (Note 9)	362,567,843	–	–	–	–	362,567,843
Balance at end of year	984,182,202	341,048,026	119,837,317	265,671,892	3,029,958,134	4,740,697,571
Accumulated Depreciation						
Balance at beginning of year	285,629,957	241,437,752	116,061,606	200,533,114	1,475,029,927	2,318,692,356
Depreciation (Notes 9 and 23)	27,629,767	35,940,260	1,999,328	24,311,026	414,191,650	504,072,031
Balance at end of year	313,259,724	277,378,012	118,060,934	224,844,140	1,889,221,577	2,822,764,387
Net Book Value	₱670,922,478	₱63,670,014	₱1,776,383	₱40,827,752	₱1,140,736,557	₱1,917,933,184

Depreciation expense included under general and administrative expenses amounted to ₱88.92 million, ₱90.07 million and ₱85.83 million for the years ended December 31, 2021, 2020 and 2019, respectively (see Note 23).

Depreciation expense attributable to direct costs for hotel and elevator and maintenance services rendered in 2021, 2020 and 2019 amounted to ₱0.83 million, ₱1.36 million and ₱1.40 million, respectively.

Depreciation expense attributable to direct costs for real estate sales amounted to ₱390.85 million, ₱412.64 million and ₱295.92 million in 2021, 2020 and 2019, respectively (see Note 9).

Due to change in use of the asset, the Group reclassified the undeveloped land from real estate inventories to property and equipment amounting to ₱140.13 million and ₱362.57 million in 2021 and 2020, respectively, to be used for batching plant operations that will supply ready mix concrete to the Group's residential projects

There are no property and equipment items that are pledged as security to liabilities as of December 31, 2021 and 2020.

15. Other Noncurrent Assets

	2021	2020
Cost to obtain a contract – net of current portion (Note 10)	₱1,322,901,729	₱1,951,615,115
Recoverable deposits (Note 31)	299,786,949	234,666,578
Contract retention (Note 27)	96,804,983	34,616,721
	₱1,719,493,661	₱2,220,898,414

Recoverable deposits pertain to bill and guaranty deposits for the installation of utilities to residential condominium units, and houses and lots to be covered upon transfer of title to buyers. Such deposits are necessary for the development of real estate projects of the Group.

Contract retention pertains to the part of contract which the Group retains as security and shall be released after the period as indicated in the contract for the rectification of defects and non-compliance from the specifications indicated.



16. Loans Payable

	2021	2020
Term loans and corporate notes	₱30,193,556,747	₱28,060,427,388
Liabilities on installment contracts receivable sold to banks with recourse (Note 7)	2,441,034,904	55,652,870
HomeSaver Bonds	–	198,793,240
	32,634,591,651	28,314,873,498
Less current portion of bank loans	5,710,180,522	2,832,347,920
	₱26,924,411,129	₱25,482,525,578

The current portion of bank loans consists of:

	2021	2020
Term loans and corporate notes	₱3,285,600,022	₱2,616,374,733
Liabilities on installment contracts receivable	2,424,580,500	17,179,947
HomeSaver Bonds	–	198,793,240
	₱5,710,180,522	₱2,832,347,920

Term Loans and Corporate Notes

Movement of the term loans and corporate notes follows:

	2021	2020
Balance as of January 1	₱28,215,000,000	₱25,566,666,667
Availments	4,800,000,000	10,900,000,000
Payments	(2,672,000,000)	(8,251,666,667)
	30,343,000,000	28,215,000,000
Less: unamortized debt issue cost	149,443,253	154,572,612
Balance as of December 31	30,193,556,747	28,060,427,388
Less: current portion	3,285,600,022	2,616,374,733
	₱26,907,956,725	₱25,444,052,655

Philippine Peso 7-year and 5-year Term Loans due in 2027 and 2025, respectively.

In 2020, the Group entered into two (2) term loan facilities with Bank of the Philippine Islands and BDO Unibank, Inc totaling to ₱8,200.00 million, of which ₱5,200.00 million was drawn during the year. The proceeds from the loan shall be used to fund the capital expenditures such as acquisition of land and other general corporate expenditures in relation to the construction of ongoing projects.

Term Loan	Quarter from Issue Date	Total
1st Term Loan	8th to 28th Quarter Final	10.00% (.50% per quarter)
	Maturity	90.00%
2nd Term Loan	1st to 20th Quarter Final	19% (1.00% per quarter)
	Maturity	81%

1st Term Loan

On April 6, 2020, July 29, 2020 and December 17, 2020, the first, second and third drawdown totaling to ₱2,850.00 million out of the ₱5,000.00 million loan facility was released. As of December 31, 2021 and 2020, the carrying value of the first term loan amounted to ₱2,833.19 million and ₱2,830.18 million, respectively.



The initial drawdown is subject to a floating interest rate option equivalent to (i) 3-month Php BVAL reference rate plus a spread of 75 basis points per annum, or (ii) Term Deposit Facility Rate, prevailing on the relevant interest setting date, whichever is higher. The subsequent borrowings are subject to a fixed interest rate equivalent to the 5-year BVAL reference rate yield plus a spread of 60 basis points per annum or a floor rate of 4.75% per annum, whichever is higher.

2nd Term Loan

On July 29 and December 17, 2020, the first and second drawdown totaling to ₱2,350.00 million out of the ₱3,200.00 million loan facility was released. As of December 31, 2021 and 2020, the carrying value of the second term loan amounted to ₱2,223.22 million and ₱2,313.66 million, respectively.

On January 28, 2021, the third drawdown amounting to ₱850.00 million out of the ₱3,200.00 million loan facility was released. As of December 31, 2021, the carrying value of drawdown made during the current year amounted to ₱819.31 million.

The second term loan shall bear interest of 4.74% payable quarterly from the date of drawdown.

Philippine Peso 7.5-Year Term Loans due in 2026

In 2019, the Group entered into three (3) term loan facilities with local banks totaling to ₱19,000.00 million, of which ₱1,300.00 million, ₱5,700.00 million and ₱9,000.00 million were availed in 2021, 2020 and 2019, respectively. The proceeds from the loan shall be used to fund the capital expenditures such as acquisition of land and other general corporate expenditures in relation to the construction of ongoing projects.

Term Loan	Quarter from Issue Date	Total
1st Term Loan	10th to 29th Quarter	10.00% (.50% per quarter)
	Final Maturity	90.00%
2nd Term Loan	10th to 29th Quarter	10.00% (.50% per quarter)
	Final Maturity	90.00%
3rd Term Loan	11th to 29th Quarter	9.50% (.50% per quarter)
	Final Maturity	90.50%

1st Term Loan

The first term loans with aggregate principal of ₱5,000.00 million were issued on March 22, 2019 and June 10, 2019, with principal amount of ₱2,500.00 million each. As of December 31, 2021 and 2020, the carrying value of the first term loan amounted to ₱4,888.35 million and ₱4,970.37 million, respectively.

2nd Term Loan

On September 4, 2019, the first drawdown amounting to ₱3,000.00 million out of the ₱9,000.00 million loan facility was released. As of December 31, 2021 and 2020, the carrying value of the first drawdown of the second term loan amounted to ₱2,954.42 million and ₱2,981.35 million, respectively.

On January 20, 2020, the second drawdown amounting to ₱3,000.00 million out of the ₱9,000.00 million loan facility was released. As of December 31, 2021 and 2020, the carrying value of the second drawdown of the second term loan amounted to ₱2,983.24 million and ₱2,980.22 million, respectively.



The second term loan shall bear interest of 5.00% to 5.12% payable quarterly from the date of drawdown.

3rd Term Loan

On September 17, 2019, the first drawdown amounting to ₱1,000.00 million out of the ₱5,000.00 million loan facility was released. As of December 31, 2021 and 2020, the carrying value of the first drawdown of the third term loan amounted to ₱989.76 million and ₱993.74 million, respectively.

In 2020, the third term loans with aggregate principal of ₱2,700.00 million were issued on April 6, 2020, July 29, 2020 and December 17, 2020, with principal amount of 1,500.00 million, ₱1,000.00 million and ₱200.00 million, respectively. As of December 31, 2021 and 2020, the carrying value of the third term loan amounted to ₱2,683.86 million and ₱2,681.20 million, respectively.

In 2021, the third term loans with aggregate principal of ₱1,300.00 million were issued on January 28, 2021 and August 9, 2021, with principal amount of ₱800.00 million and ₱500.00 million, respectively. As of December 31, 2021, the carrying value of the third term loan amounted to ₱1,291.19 million.

The interest rate of the third term loan of 4.50% to 5.19% is fixed for five (5) years and payable every quarter from date of drawdown. The interest is subject to repricing after five (5) years for the remaining two (2) years of the loan term.

Philippine Peso 5-Year and 7-Year Corporate Notes due in 2020 to 2024

In December 2015, the Group signed a corporate notes facility agreement on the issuance of Peso-denominated notes in the aggregate principal amount of ₱10,000.00 million with local banks. Proceeds of the note facility were used to fund its acquisition of real estate properties, fund its project development costs, refinance its existing indebtedness and fund other general corporate expenditures.

The notes will be issued in six (6) tranches and payments shall be made in each tranche as follows:

Series	Quarter from Issue Date	Payment for Each Quarter;	
		Computed Based on Aggregate % of Issue	Total
		Amount of each Series	
Series F	4 th to 19 th Quarter	0.5%	(8% + 92%)
	Final Maturity	92.0%	100%
Series H	4 th to 19 th Quarter	0.5%	(8% + 92%)
	Final Maturity	92.0%	100%
Series J	4 th to 19 th Quarter	0.5%	(8% + 92%)
	Final Maturity	92.0%	100%
Series G	4 th to 27 th Quarter	0.5%	(12% + 88%)
	Final Maturity	88.0%	100%
Series I	4 th to 27 th Quarter	0.5%	(12% + 88%)
	Final Maturity	88.0%	100%
Series K	4 th to 27 th Quarter	0.5%	(12% + 88%)
	Final Maturity	88.0%	100%

Tranches 1 (Series F) and 2 (Series G) of the ₱10,000.00 million were issued on December 18, 2015 with principal amount of ₱1,000.00 million each. Tranches 3 (Series H) and 4 (Series I) were issued in January 2016 with principal amount of ₱2,500.00 million each. Tranches 5 (Series J) and 6 (Series K) were issued in February 2017 with principal amount of ₱1,500.00 million each.



In February 2017, Tranches 5 (Series J) and 6 (Series K) were issued in the aggregate principal amount of ₱1,500.00 million each.

In January 2016, Tranches 3 (Series H) and 4 (Series I) were issued in the aggregate principal amount of ₱2,500.00 million each. In December 2015, Tranches 1 (Series F) and 2 (Series G) of the ₱10,000.00 million were issued in the aggregate principal amount of ₱1,000.00 million each.

The carrying amount of the notes are as follows:

Series	2021	2020
Series D	₱-	₱-
Series E	-	-
Series F	-	-
Series G	893,501,629	911,996,287
Series H	-	2,299,584,603
Series I	2,245,748,714	2,291,960,031
Series J	1,379,350,322	1,405,312,808
Series K	1,373,643,601	1,400,849,719
	₱5,892,244,266	₱8,309,703,448

The note is issued in registered form in the minimum denominations of ₱75.00 million and multiples of ₱25.00 million each. The interest rate shall be the PDST-R2 rate for five (5)-year (Tranche 1) and seven (7)-year treasury securities on banking day immediately preceding an Issue Date plus the Margin (150 basis points) for each of the Tranche, gross any applicable withholding taxes. Interest is payable quarterly.

Philippine Peso 7-year Corporate Notes due in 2020

In October 2012, the Group signed corporate notes facility agreement on the issuance of 7-year peso-denominated notes in the aggregate amount of ₱10,000.00 million with local banks. Proceeds of the notes facility were used to fund land acquisition, general operations and project development and construction.

The notes will be issued in three (3) tranches and payments shall be made in each tranche as follows:

Quarter from Issue Date	Based on aggregate % of issue amount of each Series (Equally divided over the applicable quarters)
7 th to 10 th Quarter	2%
11 th to 14 th Quarter	4%
15 th to 18 th Quarter	5%
19 th to 27 th Quarter	12%
Final Maturity	77%
Total	100%

Tranche 1 of the ₱10,000.00 million Series C was issued on October 31, 2012 in the aggregate amount principal amount of ₱1,000.00 million. The tranche was settled in full on October 31, 2019.

Tranche 2 (Series D) and 3 (Series E) were issued on April 10, 2013 and July 30, 2013 in the aggregate principal amount of ₱4,000.00 million and ₱5,000.00 million, respectively. The outstanding balance of Tranche 2 (Series D) and 3 (Series E) was settled in full on April 2020 and July 2020, respectively.



The note is issued in registered form in the minimum denominations of ₱100.00 million and multiples of ₱10.00 million each. The interest rate shall be the PDST-F rate for seven-year treasury securities on banking day immediately preceding an Issue Date plus the Margin (125 basis points) for each of the Tranche, gross any applicable withholding taxes. Interest is payable quarterly.

Debt Issue Costs

The rollforward analysis of unamortized debt issuance cost follows:

	2021	2020	2019
Balance as of January 1	₱154,572,612	₱109,953,199	₱77,658,119
Availments	35,949,030	81,750,000	67,500,000
Amortization of debt issue cost (Note 25)	(41,078,389)	(37,130,587)	(35,204,920)
Balance as of December 31	₱149,443,253	₱154,572,612	₱109,953,199

Interest

In 2021, 2020 and 2019, interest expense incurred amounted to ₱1,481.83 million, ₱1,442.20 million and ₱1,274.86 million, respectively, of which capitalized interest amounted to ₱1,407.90 million, ₱1,436.51 million, and ₱1,186.17 million, respectively (see Notes 9 and 25). The average capitalization rates used are 4.60%, 5.01%, and 5.59% of the average expenditures in 2021, 2020 and 2019, respectively.

Liabilities on Installment Contracts Receivable

Movement of the liabilities on installment contracts receivable notes follows:

	2021	2020
Balance as of January 1	₱55,652,870	₱118,910,294
Availments	5,189,040,590	-
Payments	(2,803,658,556)	(63,257,424)
Balance as of December 31	2,441,034,904	55,652,870
Less current portion	2,424,580,500	17,179,947
	₱16,454,404	₱38,472,923

As discussed in Note 7, the installment contracts receivable under the receivable purchase agreements are used as collaterals for the related loans availed. These amounted to ₱2,441.03 million and ₱55.65 million as of December 31, 2021 and 2020, respectively, and these represent net proceeds from sale of portion of Group's installment contracts receivable to local banks pursuant to the receivable purchase agreements entered into by Group on various dates. The agreements also provide the submission of condominium certificates of title and their related postdated checks issued by the buyers. These loans bear interest at prevailing market rates and are payable in equal and continuous monthly payment not exceeding 120 days commencing one (1) month from date of execution. The average effective annual interest rate ranges from 3.55% to 6.00%, 4.00% to 6.19% and 4.00% to 6.63% in 2021, 2020 and 2019, respectively.



HomeSaver Bonds

Movement of the HomeSaver Bonds follows:

	2021	2020
Balance as of January 1	₱198,793,240	₱210,505,000
Issuance	-	31,560,000
Payments	(198,793,240)	(43,271,760)
Balance as of December 31	-	198,793,240
Less current portion	-	198,793,240
	₱-	₱-

Philippine Peso 3-Year and 5-Year Bonds due in 2019 and 2021

On March 21, 2016, the Group offered and issued the second bonds of up to ₱500.00 million to the public through four (4) investment options, namely, Tranche D, Tranche E, Tranche F, and Tranche G.

Tranche D was issued in equal monthly installments with no maximum subscription, but priority will be given to aggregate subscriptions amounting to ₱3.60 million and less over a period of 36 months, beginning on the Initial Issue Date at a fixed interest rate of 4.75% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche D has been fully paid.

Tranche E was issued in equal monthly installments with no maximum subscription, but priority will be given to aggregate subscriptions amounting to ₱6.00 million and less over a period of 60 months, beginning on the Initial Issue Date at a fixed interest rate of 5.25% per annum and shall mature five (5) years from the Initial Issue Date. As of December 31, 2020, outstanding balance of Tranche E bonds amounted to ₱66.36 million (nil in 2021).

Tranche F was issued one-time with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱7.00 million and less on the Initial Issue Date as a single upfront investment and payable in lump sum on the Initial Issue Date at a fixed interest rate of 4.75% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche F has been fully paid.

Tranche G was issued one-time with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱7.00 million and less on the Initial Issue Date as a single upfront investment and payable in lump sum on the Initial Issue Date at a fixed interest rate of 5.25% per annum and shall mature five (5) years from the Initial Issue Date. As of December 31, 2020, outstanding balance of Tranche G bonds amounted to ₱130.17 million (nil in 2021).

Philippine Peso 3-year and 5-year Bonds due in 2019 and 2021

On November 16, 2015, the Group offered and issued to the public deferred coupon-paying HomeSaver Bonds (the Bonds) in an aggregate principal amount of ₱1,000.00 million with an initial offering of ₱500.00 million for working capital and other general corporate purposes, such as marketing and administrative expenses. The Bonds will be offered through three investment options, namely: Tranche A, Tranche B and Tranche C.

Tranche A was issued in equal monthly installments with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱3.60 million and less over a period of 36 months, beginning November 16, 2015 (the Initial Issue Date) at a fixed interest rate of 4.5% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche A has been fully paid.



Tranche B was issued in equal monthly installments with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱6.00 million and less over a period of 60 months, beginning on the Initial Issue Date at a fixed interest rate of 5.00% per annum and shall mature five (5) years from the Initial Issue Date. As of December 31, 2020, outstanding balance of Tranche B bonds amounted to ₱2.26 million (nil in 2021).

Tranche C was issued one-time with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱7.00 million and less on the Initial Issue Date as a single upfront investment and payable in lump sum on the Initial Issue Date at a fixed interest rate of 4.50% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche C has been fully paid.

Covenants for term loans, corporate notes and HomeSaver bonds

The term loans, corporate notes facility agreement and HomeSaver bonds require the Group to ensure that debt-to-equity ratio will not exceed 3.2 times and current ratio is at least 1.75 times. As of December 31, 2021 and 2020, the Group is fully compliant to these requirements (see Note 20).

As of December 31, 2021 and 2020, all term loans, corporate notes and HomeSaver bonds recognized are unsecured.

17. Liabilities for Purchased Land

Liabilities for purchase of land represent the balance of the Group's obligations to various real estate property sellers for the acquisition of various parcels of land and residential condominium units. The terms of the deeds of absolute sale covering the land acquisitions provided that such obligations are payable only after the following conditions, among others, have been complied with: (a) presentation by the property sellers of the original transfer certificates of title covering the purchased parcels of land; (b) submission of certificates of non-delinquency on real estate taxes; and (c) physical turnover of the acquired parcels of land to the Group.

The outstanding balance of liabilities for purchased land as of December 31, 2021 and 2020 are shown below:

	2021	2020
Current	₱601,817,432	₱849,023,520
Noncurrent	969,552,190	1,170,581,536
Balance at end of the year	₱1,571,369,622	₱2,019,605,056

Liabilities for purchased land were recorded at fair value at initial recognition. These liabilities for purchased land are payable over a period of two (2) to four (4) years. The fair value is derived using discounted cash flow model using the discount rate ranging from 1.67% to 4.43% and 1.71% to 2.66% in 2021 and 2020, respectively, based on applicable rates for similar types of liabilities.



18. Accounts and Other Payables

	2021	2020
Accounts payable - trade	₱2,526,396,820	₱2,558,648,539
Commission payable	2,192,894,857	2,553,752,136
Accrued expenses	438,172,036	736,061,454
Dividends payable (Notes 20 and 27)	800,000,000	713,573,000
Retention payable	848,354,317	678,253,452
Accrued interest payable (Notes 16 and 33)	195,980,079	375,356,339
Refundable deposits	292,228,612	322,413,218
Others	106,559,982	68,066,275
	7,400,586,703	8,006,124,413
Less noncurrent portion of commission payable	1,079,558,646	1,172,543,428
	₱6,321,028,057	₱6,833,580,985

Commission payable pertains to the unpaid amount of the Group's payout to real estate sales agents for each contract that they obtain for the sale of real estate units. These are settled based on the collection from the contract with customers with various terms up to a maximum of 10 years. The noncurrent portion of commission payable is presented under "Other noncurrent liability" account in the consolidated statements of financial position.

Accounts payable - trade are mostly composed of payable to suppliers of materials, marketing supplies and services and brokers. It includes payable to contractors that pertains to unpaid progress billings for the construction and development of real estate projects and residential units. These are noninterest-bearing and are normally settled within one (1) year.

Accrued expenses pertain to VAT payable, SSS, Pag-IBIG, Philhealth, withholding tax payables and other expenses and are expected to be settled within one (1) year.

Dividends payable pertains to unpaid cash dividends to shareholders expected to be settled within one (1) year.

Retention payable consists of amounts withheld from every progress billing per subcontract agreement and is expected to be settled within one (1) year. The retention serves as a security from the contractor should there be defects in the project.

Refundable deposits consist of deposits which are refundable due to cancellation of real estate sales as well as deposits made by unit owners upon turnover of the unit which will be remitted to its utility provider.

Others include refundable amount for security deposits, construction bond of tenants and deferred charges. Security deposits are settled upon the end of the lease term. Construction bonds are settled upon the end of the construction of the unit. These are normally settled within one (1) year. Deferred charges pertain to deferred rentals and other deferrals which are chargeable within one (1) year amounting to ₱5.86 million and ₱4.00 million as of December 31, 2021 and 2020, respectively.



19. Customers' Advances and Deposits and Contract Liabilities

	2021	2020
Contract liabilities		
Current	₱3,549,504,260	₱4,380,478,887
Noncurrent	1,261,595,621	1,900,164,170
	4,811,099,881	6,280,643,057
Customers' advances and deposits	4,356,686,876	4,085,451,230
	₱9,167,786,757	₱10,366,094,287

Contract Liabilities

The Group requires buyers of the residential condominium units and houses and lots to pay a minimum percentage of the total selling price and the project should be beyond the preliminary stage before the Group recognize a sale transaction. Contract liabilities represent the payments of buyers which do not qualify yet for revenue recognition as real estate sales and any excess of collections over the recognized revenue on sale of real estate inventories. The movement in contract liabilities is mainly due to sales reservation and advance payment of buyers and this is reduced by increase in percentage of completion of projects and real estate sales recognized upon reaching the buyer's equity threshold.

The current portion of contract liabilities also includes billings in excess of cost and estimated earnings on uncompleted contracts amounting to ₱152.38 million which represents billings in excess of total costs incurred and estimated earnings recognized as of December 31, 2021. This also includes downpayment made by RDPVI during 2020 amounting to ₱601.67 million which is equivalent to the value of land and 15% of the contract amount less the first downpayment which is paid upon issuance of building permit (see Note 27).

The amount of revenue recognized from amounts included in contract liabilities at the beginning of the year amounted to ₱3,293.05 million, ₱3,320.19 million and ₱2,851.54 million in 2021, 2020 and 2019, respectively.

Customers' Advances and Deposits

Other customers' advances and deposits represent collections from real estate buyers for taxes and fees payable such as documentary stamp tax and transfer tax for the transfer of title to the buyer.

20. Equity

Capital Stock

Details of the Parent Company's capital stocks as of December 31, 2021 and 2020 follow:

Common stock - ₱1 par value	
Authorized - 5,000,000,000 shares	₱5,000,000,000
Issued and outstanding - 3,487,727,331 shares	3,487,727,331
Additional paid-in capital	15,260,664



Retained Earnings

Movements in and outstanding appropriations of the Group for project development are as follows:

	2021	2020	2019
Balance as of the beginning of the year	₱15,977,900,000	₱13,719,000,000	₱10,396,000,000
Additional appropriations (a)	–	13,500,000,000	4,500,000,000
Release from appropriations (a)	–	(11,241,100,000)	(1,177,000,000)
	₱15,977,900,000	₱15,977,900,000	₱13,719,000,000

a) *Appropriation*

On December 2, 2020, the BOD approved the following resolutions:

- Reversal of appropriation amounting ₱7,740.00 million from previously appropriated retained earnings as of December 31, 2019 which was already utilized for the development of the following projects:

Project	Amount
Mulberry Place	₱897,200,000
Prisma Residences	1,345,900,000
Brixton Place	741,800,000
Oak Harbor Residences	503,400,000
Infina Towers	736,600,000
The Celandine	608,600,000
Kai Garden Residences	726,100,000
The Orabella	389,200,000
The Atherton	354,200,000
Verdon Parc 2	343,700,000
Fairlane Residences	326,100,000
Calathea Place	400,000,000
Satori Residences	367,200,000
	₱7,740,000,000

- Appropriation of ₱8,300.00 million from retained earnings as of December 31, 2019 to fund the development and project cost of the following projects:

Project	Amount
Prisma Residences	₱1,300,000,000
Infina Towers	200,000,000
Kai Garden Residences	620,000,000
The Orabella	50,000,000
The Atherton	350,000,000
Verdon Parc 2	800,000,000
Fairlane Residences	500,000,000
Satori Residences	820,000,000
Aston Residences	940,000,000
Cameron Residences	230,000,000
The Crestmont	400,000,000
Allegra Garden Place	930,000,000
Sonora Garden Residences	860,000,000
Alder Residences	300,000,000
	₱8,300,000,000



On January 31, 2020, the BOD approved and resolved the following resolutions:

- Reversal of appropriation amounting to ₱3,501.10 million from previously appropriated retained earnings as of December 31, 2018 which was already utilized in 2019 for the related projects below:

<u>Project</u>	<u>Amount</u>
Mulberry Place	₱392,500,000
Prisma Residences	684,000,000
Brixton Place	626,000,000
Oak Harbor Residences	636,200,000
Infina Towers	765,000,000
The Celandine	397,400,000
	<u>₱3,501,100,000</u>

- Appropriation of ₱5,200.00 million from retained earnings as of December 31, 2019 to fund the development and project cost of the following projects:

<u>Project</u>	<u>Appropriation</u>
Kai Garden Residences	₱1,500,000,000
The Orabella	1,000,000,000
The Atherton	800,000,000
Verdon Parc	600,000,000
Fairlane Residences	500,000,000
Calathea Place	400,000,000
Satori Residences	400,000,000
	<u>₱5,200,000,000</u>

On January 28, 2019, the BOD approved the following resolutions:

- Reversal of appropriation amounting to ₱1,177.00 million from previously appropriated retained earnings as of December 31, 2017 which was already utilized for the following projects:

<u>Project</u>	<u>Appropriation</u>
Mulberry Place	₱200,300,000
Prisma Residences	127,000,000
Brixton Place	551,700,000
Oak Harbor Residences	298,000,000
	<u>₱1,177,000,000</u>

- Appropriation of ₱4,500.00 million from retained earnings as of December 31, 2018 to fund the development and project cost of the following projects:

<u>Project</u>	<u>Appropriation</u>
Infina Towers	₱2,500,000,000
The Celandine	2,000,000,000
	<u>₱4,500,000,000</u>



b) *Declaration of Dividends*

On September 30, 2021, the BOD approved and resolved the resolution for declaration of additional cash dividends in the amount of ₱800.00 million from the unrestricted retained earnings as of June 30, 2021 in favor of the current stockholders of record and payable on or before December 31, 2022.

On June 25, 2021, the BOD approved and resolved the resolution for the declaration of additional cash dividends in the amount of ₱9.00 million from the unrestricted retained earnings as of December 31, 2020 in favor of the current stockholders of record and payable in accordance with the scheduled payment. As of December 31, 2021, the dividends declared have been paid.

On June 15, 2021, the BOD approved and resolved the resolution for the declaration of additional cash dividends in the amount of ₱36.00 million from the unrestricted retained earnings as of December 31, 2020 in favor of the current stockholders of record and payable in accordance with the scheduled payment. As of December 31, 2021, the dividends declared have been paid.

On February 5, 2021, the BOD approved and resolved the resolution for the declaration of additional cash dividends in the amount of ₱400.00 million from the unrestricted retained earnings as of December 31, 2020 in favor of the current stockholders of record and payable in accordance with the scheduled payment. As of December 31, 2021, the dividends declared have been paid.

On December 2, 2020, the BOD approved the additional declaration of cash dividends amounting to ₱11.29 million from the unrestricted retained earnings as of December 31, 2019 in favor of the current stockholders of record. As of December 31, 2020, the dividends declared have been paid.

On September 22, 2020, the BOD approved the additional declaration of cash dividends amounting to ₱18.00 million from the unrestricted retained earnings as of December 31, 2019 in favor of the current stockholders of record. As of December 31, 2020, the dividends declared have been paid.

On July 6, 2020, the BOD approved the additional declaration of cash dividends amounting to ₱18.00 million from the unrestricted retained earnings as of December 31, 2019 in favor of the current stockholders of record. As of December 31, 2020, the dividends declared have been paid.

On January 31, 2020, the BOD approved the declaration of cash dividends amounting ₱1,200.00 million to stockholders of record as of December 31, 2019. As of December 31, 2021, the dividends declared have been paid.

On November 25, 2019, the BOD approved the additional declaration of cash dividends amounting to ₱25.50 million to stockholders of record as of December 31, 2018. As of December 31, 2019, the dividends declared have been paid.

On September 20, 2019, the BOD approved the additional declaration of cash dividends amounting to ₱24.61 million to stockholders of record as of December 31, 2018. As of December 31, 2019, the dividends declared have been paid.

On January 28, 2019, the BOD approved the additional declaration of cash dividends amounting to ₱1,200.00 million to stockholders of record as of December 31, 2018. As of December 31, 2019, the dividends declared have been paid.



On January 10, 2019, the BOD approved the declaration of cash dividends amounting to ₱25.50 million to stockholders of record as of December 31, 2018. As of December 31, 2019, the dividends declared have been paid.

In 2020 and 2019, ZMSSI, a subsidiary of the Group, declared dividends amounting to ₱34.00 million and ₱16.00 million, respectively, of which dividends to noncontrolling interest amounted to ₱13.57 million and ₱7.84 million, respectively. The unpaid dividends as of December 31, 2020 amounted to ₱13.57 million (nil as of December 31, 2021; see Notes 18 and 33).

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The management considers capital stock, additional paid-in capital and retained earnings as core capital of the Group.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return of capital to shareholders or issue new shares.

As of December 31, 2021, 2020 and 2019, the Group had the following rates:

	2021	2020	2019
Current Ratio	3.17:1	3.34:1	2.83:1
Debt to Equity Ratio	2.01:1	2.28:1	2.08:1
Asset to Equity Ratio	3.01:1	3.28:1	3.08:1

As at December 31, 2021, 2020 and 2019, the Group is not subject to externally imposed capital requirements other than the monitoring of the Group's debt to equity ratio and current ratio as part of its long-term debt requirements (see Note 16).

21. Finance Income

	2021	2020	2019
Installment contracts receivable (Note 7)	₱320,434,026	₱313,001,354	₱277,658,703
Bank deposits and cash equivalents (Note 6)	20,784,683	49,689,772	186,107,294
	₱341,218,709	₱362,691,126	₱463,765,997

22. Other Income

	2021	2020	2019
Income from cancellation of real estate sales and other fees	₱731,518,143	₱524,904,246	₱899,398,674
Rental income (Notes 12, 22, 27 and 28)	241,520,444	73,694,829	37,488,153
Penalty and other charges	67,653,687	64,212,160	116,221,882
Gain on sale of undeveloped land (Note 9)	12,431,642	6,406,705	-
Management fees (Note 27)	4,308,352	5,695,246	497,378
Others (Note 27)	181,441,628	66,639,554	64,438,043
	₱1,238,873,896	₱741,552,740	₱1,118,044,130



Others include income from the sale of backfill, holding fees, restructuring fees, maintenance dues and utilities charged to tenants.

23. General and Administrative Expenses

	2021	2020	2019
Salaries, wages and employee benefits	₱764,704,458	₱655,387,652	₱632,633,249
Taxes and licenses	500,627,580	434,682,884	432,415,121
Repairs and maintenance	175,488,385	193,667,279	282,645,270
Outside services	168,911,109	186,880,475	169,558,759
Depreciation and amortization (Notes 12, 13 and 14)	142,327,708	145,712,706	143,113,570
Marketing	118,473,240	167,674,269	306,528,989
Communication, light and water	89,337,332	64,166,331	88,768,461
Association dues	87,747,697	42,803,205	52,708,077
Retirement expense (Note 24)	84,297,419	58,675,650	31,334,695
Entertainment, amusement and recreation	78,888,052	76,544,486	74,150,911
Professional fees	32,886,244	24,252,384	61,185,083
Supplies	29,682,188	27,432,033	45,728,955
Transportation and travel	28,369,045	29,381,004	45,998,403
Provision for and write-off of doubtful accounts (Note 7)	10,527,030	22,665,500	8,463,812
Management fees	-	1,423,575	1,423,575
Miscellaneous	101,413,034	40,293,864	50,988,976
	₱2,413,680,521	₱2,171,643,297	₱2,427,645,906

Miscellaneous include rental, insurance, supplies and other expenses.

24. Retirement Benefits

The Group has a funded, noncontributory, defined benefit pension plan covering substantially all of its regular employees. Benefits are dependent on years of service and the respective employee's final compensation. The benefits are paid in a lump sum upon retirement or separation in accordance with the terms of the plan. The Group updates the actuarial valuation every year by hiring the services of a third party professionally qualified actuary. The latest actuarial valuation reports of the retirement plans were made as of December 31, 2021.

The Group is a member of the DMCI Multiemployer Retirement Plan (the Plan) which is administered separately by the Board of Trustees (BOT). The responsibilities of the Retirement BOT, among others, include the following:

- To hold, invest and reinvest the fund for the exclusive benefits of the members and beneficiaries of the retirement plan and for this purpose the Retirement BOT is further authorized to designate and appoint a qualified Investment Manager with such powers as may be required to realize and obtain maximum yield on investment of the fund;
- To make payments and distributions in cash, securities and other assets to the members and beneficiaries of the Plan.



Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Based on the actuarial valuation as of December 31, 2021 and 2020, the Group's pension liability is computed using the project unit credit (PUC) method.

The following tables summarize the components of the pension expense recognized in the consolidated statements of comprehensive income and amounts recognized in the consolidated statements of financial position for the retirement plan.

The components of pension expense in consolidated statements of income follows:

	2021	2020	2019
Current service cost	₱73,805,839	₱53,012,856	₱38,908,805
Net interest on defined benefit obligation	10,491,580	5,662,794	(7,574,110)
Total pension expense (Note 23)	₱84,297,419	₱58,675,650	₱31,334,695

The funded status and amounts recognized in the consolidated statements of financial position for the retirement plan are as follows:

	2021	2020
Fair value of plan assets	₱462,105,052	₱404,254,623
Present value of defined benefit obligation	(612,718,264)	(652,854,720)
Net pension liabilities	(₱150,613,212)	(₱248,600,097)

The reconciliation of the fair value of plan assets follow:

	2021	2020
Balance at beginning of year	₱404,254,623	₱347,136,481
Interest income on plan assets	16,173,931	20,381,865
Contributions	10,000,000	64,023,513
Benefits paid	(26,098,237)	(9,087,074)
Actuarial gain (loss)	57,774,735	(18,200,162)
Balance at end of year	₱462,105,052	₱404,254,623

Changes in the present value of the defined benefit obligation follow:

	2021	2020
Balance at beginning of year	₱652,854,720	₱478,534,324
Current service cost	73,805,839	53,012,856
Interest cost	26,665,511	26,044,659
Benefits paid	(26,098,237)	(9,087,074)
Actuarial loss (gain)		
Experience adjustment	(16,735,725)	(3,526,796)
Change in financial assumptions	(95,456,349)	107,876,751
Changes in demographic assumptions	(2,317,495)	-
Balance at end of year	₱612,718,264	₱652,854,720



Movements in the net pension liability are as follows:

	2021	2020
Balance at beginning of year	(P248,600,097)	(P131,397,843)
Net pension expense	(84,297,419)	(58,675,650)
Amount to be recognized in OCI	172,284,304	(122,550,117)
Contributions	10,000,000	64,023,513
Balance at end of year	(P150,613,212)	(P248,600,097)

Remeasurement losses recognized in OCI:

	2021	2020
Remeasurement losses (gains) on defined benefit obligations	(P114,509,569)	P104,349,955
Remeasurement gains (losses) on plan assets	(57,774,735)	18,200,162
Effect of asset ceiling	-	-
Total remeasurements recognized in OCI	(P172,284,304)	P122,550,117

Movement of cumulative remeasurement effect recognized in OCI:

	2021	2020
Balance at beginning of year	P33,756,252	P156,306,369
Additional actuarial gain (loss):		
From plan obligation	114,509,569	(104,349,955)
From plan asset	57,774,735	(18,200,162)
Effect of asset ceiling	-	-
Balance at end of year	P206,040,556	P33,756,252

As of December 31, 2021 and 2020, the major categories of the Group's plan assets as percentage of the fair value of total plan assets follow:

	2021		2020	
	Amount	%	Amount	%
Investments in equity	P219,037,794	47.40	P175,850,761	43.50
Debt instruments –				
government bonds	178,095,287	38.54	195,376,259	48.33
Debt instruments - other	2,218,104	0.48	3,031,910	0.75
Cash and cash equivalents	58,456,289	12.65	26,802,081	6.63
Other assets	4,297,577	0.93	3,193,612	0.79
	P462,105,052	100.00	P404,254,623	100.00

The carrying amounts disclosed above reasonably approximate fair values at year-end.

The composition of the fair value of the fund includes:

- *Investment in equity* - includes investment in common and preferred shares both traded and not traded in the Philippine Stock Exchange (PSE).
- *Debt instruments* - include investment in long-term debt notes and retail bonds.
- *Cash and cash equivalents* - include savings and time deposit with banks and special deposit account with Bangko Sentral ng Pilipinas (BSP SDA).
- *Other assets* - includes interest and dividends receivable generated from investments included in the plan.



The assumptions used to determine pension benefits of the Group follow:

	2021	2020	2019
Discount rates	5.19%	4.11%	5.46%
Salary rate increase	6.00%	6.00%	6.00%

Each year, an Asset-Liability Matching Study (ALM) is performed with the result being analyzed in terms of risk-and-return profiles. It is the policy of the Trustee that immediate and near-term retirement liabilities of the Group's Retirement Fund are adequately covered by its assets. As such, due considerations are given that portfolio maturities are matched in accordance with due benefit payments. The Retirement Fund's expected benefits payments are determined through the latest actuarial reports.

Sensitivity analysis on the actuarial assumptions

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the Defined Benefit Obligation (DBO) at the reporting date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

The sensitivity analysis that follows has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of the end of reporting period, assuming all other assumptions were held constant.

		2021	2020
	Increase (decrease)	Effect on defined benefit obligation	
Discount rates	+100 basis points	(₱72,597,877)	(₱82,001,417)
	-100 basis points	86,930,363	99,258,076
Salary rate increases	+100 basis points	₱85,309,937	₱96,292,119
	-100 basis points	(72,707,949)	(81,351,707)

The BOT of the Plan ensures that its assets are available to fulfill its obligation of paying retirement as it falls due. This is done by ensuring that its assets are easily disposable and can easily be converted to cash.

Furthermore, the Group is not required to contribute to the fund under the Retirement Plan before they become due. For this reason, the amount and timing of contributions to the Plan are at the Group's discretion. However, in the event a benefit claim arises and the Plan is insufficient to pay the claim, the shortfall will then be due and payable from the Group to the Plan.



Shown below is the maturity analysis of the undiscounted benefit payments:

Maturity	2021	2020
Less than 1 year	₱99,248,229	₱113,641,581
More than 1 year but less than 5 years	54,605,974	28,293,196
5 years and more	146,754,410	129,306,410

The average duration of the defined benefit obligation is 14.75 years and 15.35 years in 2021 and 2020, respectively.

The Group expects to contribute to the fund in 2022 based on the funding valuation from retirement plan.

25. Finance Costs

The finance costs are incurred from the following:

	2021	2020	2019
Long-term bank loans (Note 16)	₱73,928,201	₱5,690,279	₱88,691,474
Accretion on unamortized discount on liabilities on purchased land and unamortized bank loans transaction cost (Notes 16 and 17)	41,078,389	37,130,587	35,204,920
Bank and other charges	2,755,695	3,573,157	8,707,351
	₱117,762,285	₱46,394,023	₱132,603,745

26. Income Taxes

The provision for income tax shown in profit or loss consists of:

	2021	2020	2019
Current	₱631,292,896	₱687,797,269	₱1,129,110,708
Deferred	256,102,515	(40,181,922)	194,081,568
Final	4,126,445	9,886,456	41,570,382
	₱891,521,856	₱657,501,803	₱1,364,762,658

The current provision for income tax in 2021, 2020 and 2019 represents regular corporate income tax.

As of December 31, 2021 and 2020, DPMC recognized deferred income tax assets amounting to ₱3.52 million and ₱3.14 million, respectively, on pension liability. The components of net deferred tax liabilities follow:

	2021	2020
<i>Recognized in profit or loss</i>		
Deferred tax assets on:		
Net pension liability	₱104,101,282	₱94,794,929
Provision for doubtful accounts	17,850,583	21,420,700
Unrealized rental	1,466,104	1,200,177
	₱123,417,969	₱117,415,806

(Forward)



	2021	2020
Deferred tax liabilities on:		
Gross profit on installment real estate sales	(₱3,306,185,703)	(₱2,898,304,649)
Capitalized borrowing costs	(414,100,931)	(463,840,967)
Capitalized depreciation	(121,740,964)	(125,380,620)
Deferred commission	(74,743,008)	(174,470,735)
Unamortized transaction costs	(37,360,813)	(46,371,780)
	(3,954,131,419)	(3,708,368,751)
	(3,830,713,450)	(3,590,952,945)
<i>Recognized in other comprehensive income</i>		
Deferred tax liability on:		
Remeasurement gain on pension	(54,871,526)	(3,550,859)
Net deferred tax liabilities	(₱3,885,584,976)	(₱3,594,503,804)

The reconciliation of the provision for income tax computed at the statutory income tax rate to the provision for income tax shown in profit or loss follows:

	2021	2020	2019
Income tax at statutory income tax rate	25.00%	30.00%	30.00%
Adjustments for:			
Nondeductible expenses	0.31	0.89	0.38
Nondeductible interest expense	0.02	0.22	0.40
Movement in unrecognized deferred tax assets	(10.56)	0.74	0.06
Interest income subject to final tax	(0.02)	(0.23)	(0.42)
Equity in net earnings of associates	(0.75)	(0.12)	(0.39)
Others	0.66	0.35	0.57
Income tax rate	14.66%	31.85%	30.60%

As of December 31, 2021, 2020 and 2019, the Group has the following deductible temporary differences and NOLCO that are available for offset against future taxable income for which no deferred tax assets have been recognized as follows:

	2021	2020	2019
Provision for retirement	₱30,196,344	₱30,196,344	₱30,196,344
Provision for impairment losses	43,708,281	33,181,250	10,515,751
NOLCO	44,926,367	42,713,322	1,498,958
Total	₱118,830,992	₱106,090,916	₱42,211,053

Deferred tax assets are recognized only to the extent that taxable income will be against which the deferred tax assets can be used. The Group assesses the unrecognized deferred tax assets and will recognize previously unrecognized deferred tax assets to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.



As of December 31, 2021, the Group has NOLCO which can be claimed as deduction from future taxable income and used as deductions against the income tax payable, respectively, as follow:

Year Incurred	NOLCO	Expiry Year
2021	₱13,215,184	2026
2020	₱31,711,183	2025
Total	₱44,926,367	

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Rollforward analysis of the Group’s NOLCO is as follows:

	2021	2020	2019
Balances at beginning of year	₱42,713,322	₱1,498,958	₱1,422,191
Additions	13,215,184	42,292,018	76,767
Expiration and usage	(11,002,139)	(1,077,654)	–
Balances at end of year	₱44,926,367	₱42,713,322	₱1,498,958

Corporate Recovery and Tax Incentive for Enterprise (CREATE) Act

On March 26, 2021, Republic Act No. 11534, Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, was signed into law and took effect on April 11, 2021. The CREATE Act introduces reforms to the corporate income tax and incentive systems by implementing changes to the current tax regulations. Some of these changes, which became effective beginning July 1, 2020, are as follows:

- Reduction in the RCIT rate from 30% to 20% for entities with net taxable income not exceeding 5.0 million and with total assets not exceeding 100.0 million (excluding the value of land on which the business entity’s office, plant and equipment are situated);
- Reduction in the RCIT from 30% to 25% for all other corporations;
- Reduction in the MCIT rate from 2% to 1% of gross income for 3 years or until June 30, 2023; and
- Repeal of the imposition of 10% improperly accumulated earnings tax (IAET).

Applying the provisions of the CREATE act, the Group recognized one-time impact in the statement of income for the period ended December 31, 2021 amounting to ₱652.67 million for provision for income tax (current and deferred) and ₱2.36 million for deferred tax on comprehensive income directly charged to equity. Deferred tax liability - net also decreased by ₱599.08 million.

27. Related Party Transactions

Transactions between related parties are based on terms similar to those offered to nonrelated parties. Related party transactions are made under the normal course of business. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities (referred herein as entities under common control).



In the regular course of business, the Group's significant transactions with related parties, which are accounted for at market prices normally charged to unaffiliated customers for similar goods and services, consist primarily of the following:

- a. The group has outstanding dividends payable to shareholders amounting to ₱800.00 million and ₱713.57 million as of December 31, 2021 and 2020, respectively (see Note 18 and 20).
- b. Contract billings by DMCI, an affiliate, amounted to ₱94.11 million as of December 31, 2020 (nil in 2021), for the construction of the real estate projects included in the "Payables to related parties" account in the consolidated statements of financial position.
- c. The Group has outstanding balance from a condominium corporation for the advances made for association dues and utilities consumed by hotel rooms, common areas and concessionaires for its hotel operations. These are included as receivable from related parties under "Receivables" account in the consolidated statements of financial position.
- d. *Design and build agreement*

The Group entered into an agreement with its joint venture, RDPVI, for the design and construction of a residential condominium project. Terms of payment include 15% down payment and balance payable through monthly progress billings subject to retention and recoupment.

 - i. *Contractor's revenue and costs*

The Group recognized ₱236.89 million and ₱119.09 million contractor's revenue in 2021 and 2020, respectively, which is based on the actual costs incurred over the total budgeted cost of the project. Related cost incurred amounted to ₱217.69 million and ₱109.44 million in 2021 and 2020, respectively.
 - ii. *Billings in excess of cost and estimated earnings on uncompleted contracts*

The Group also recognized billings in excess of costs and estimated earnings on uncompleted contracts amounting to ₱152.38 million and ₱70.90 million as of December 31, 2021 and 2020, respectively, which is presented under "Contract liabilities". This represents billings in excess of total costs incurred and estimated earnings recognized (see Note 19).
 - iii. *Contract retention*

The Group recognized contract retention amounting to ₱96.80 million and ₱34.62 million as of December 31, 2021 and 2020, respectively. This pertains to the amount retained as security and shall be released after the period as indicated in the contract for the rectification of defects and non-compliance from the specifications indicated in the agreement (see Note 15).
 - iv. *Contracts receivable*

The Group recognized contracts receivable amounting to ₱180.64 million and ₱115.18 million as of December 31, 2021 and 2020, respectively, which arises from the construction activities in relation to the joint venture with RDPVI. These receivables are based on progress billings provided to customers over the period of construction (see Note 7).
 - v. *Contract liabilities*

The Group recognized customers' advances and deposits amounting ₱601.67 million which represents the downpayment made by RDPVI. This is equivalent to the value of land and 15% of the contract amount less the first downpayment which is paid upon issuance of building permit (see Note 19).



Management and marketing services agreement

RDPVI has also engaged the services of the Group for the management and marketing of its project. Consideration for the management services is valued at 3% of the sum of net total contract price (NTCP) collected for each month while marketing services to provided is equivalent to 0.50% of real estate sales recorded each month.

RLC and the Group will also act as the exclusive selling arm of RDPVI for the sale of units and parking lots of the project wherein 1.5% of the NTCP of sold units will be payable to the party who sold the units, RLC or the Group.

In 2021 and 2020, the Group earned management and marketing fees amounting to ₱7.59 million and ₱11.21 million, respectively (see Note 22).

e. Socialized Housing Agreement with DMC Urban Property Developers, Inc.

The Group entered into a socialized housing agreement with DMC Urban Property Developers, Inc. (UPDI), an accredited developer of socialized housing project by Department of Human Settlements and Urban Development (DHSUD) in order to obtain the required credits for the development of the condominium project. This was documented in a joint venture agreement in which profits will be shared on a 50:50 allocation basis. The Group finances the whole development and construction of the project while UPDI contributes the land and act as project manager of the project. The total project cost of the compliance project amounts to ₱458.78 million. As of December 31, 2021 and 2020, the advances recorded in the books under “Other current assets” amounted to ₱195.97 million and ₱140.37 million, respectively (see Note 10).

f. Receivable from related parties

The following table summarizes the transactions with related parties in 2021 and 2020 and the outstanding receivable as of December 31, 2021 and 2020 recorded as receivable from related parties under “Receivables” (see Note 7):

2021						
	Relationship	Transaction	Amount	Outstanding Balance	Terms	Conditions
DMCI Mining Corporation	Under common control	Construction and rent services	(₱2,235,056)	₱558,952	Noninterest-bearing; due and demandable	Unsecured, unimpaired
DMC Estate Ventures, Inc.	Under common control	Reimbursement of expenses	–	932,915	Noninterest-bearing; due and demandable	Unsecured, unimpaired
Taisei DMCI Joint Venture	Under common control	Lease, backfill charges	213,395,302	–	Noninterest-bearing; due and demandable	Unsecured, unimpaired
D.M. Consunji	Stockholder under common directors	Trade Reimbursement of expenses and rent services	–	61,182,641	Noninterest-bearing; due and demandable	Unsecured, unimpaired
DMCI Urban Property Developers	Under common control	Reimbursement of expenses	43,933,370	53,509,060	Noninterest-bearing; due and demandable	Unsecured, unimpaired
Condo Corporation	Under common directors	Reimbursement of expenses	(480,994)	4,292,202	Noninterest-bearing; due and demandable	Unsecured, unimpaired
				₱120,475,770		
2020						
	Relationship	Transaction	Amount	Outstanding Balance	Terms	Conditions
DMCI Mining Corporation	Under common control	Construction and rent services	₱15,910,326	₱2,794,008	Noninterest-bearing; due and demandable	Unsecured, unimpaired
Semirara Mining Corporation	Under common control	Reimbursement of expenses	–	20,816	Noninterest-bearing; due and demandable	Unsecured, unimpaired
DMCI Holdings, Inc.	Parent	Reimbursement of expenses	–	26,010	Noninterest-bearing; due and demandable	Unsecured, unimpaired
DMCI Urban Property Developers	Under common control	Reimbursement of expenses and rent services	7,001,629	9,575,690	Noninterest-bearing; due and demandable	Unsecured, unimpaired
Condo Corporation	Under common directors	Reimbursement of expenses	4,739,271	4,773,196	Noninterest-bearing; due and demandable	Unsecured, unimpaired
				₱17,189,720		



g. *Payable to related parties*

The table below summarizes the transactions of the Group with related parties in 2020 (nil in 2021) and the related outstanding payable as of December 31, 2020 (nil in 2021) recorded under “Payable to related parties”:

		2020		Outstanding	Terms	Conditions
Relationship	Transaction	Amount	Balance			
DM Consunji, Inc.	Stockholder	Trade	(P201,949,629)	P94,105,428	Noninterest-bearing; due and demandable	Unsecured
Condo Corporation	Under common directors	Advances	(25,382,354)	-	Noninterest-bearing; due and demandable	Unsecured
DMCI Urban Property Developers	Under common control	Remittances Trade	(4,549,192)	-	Noninterest-bearing; due and demandable	Unsecured
				P94,105,428		

The key management personnel of the Group include all directors, executive and non-executive, and senior management. The aggregate compensation and benefits of key management personnel of the Group follows:

	2021	2020	2019
Short-term employee benefits	P31,148,393	P30,930,274	P30,535,971
Post employee benefits (Note 24)	31,579,195	20,648,358	10,890,146
	P62,727,588	P51,578,632	P41,426,117

There are no agreements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Group’s pension plan.

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

As of December 31, 2021 and 2020, the Group has not made any allowance for expected credit loss relating to amounts owed by related parties. The Group applies a general approach in calculating the ECL.

28. Leases, Commitments and Contingencies

Operating Leases - Group as Lessor

The Group entered into lease agreements with third parties covering its investment property portfolio. These leases generally provide for a fixed monthly rental with an escalation of 5% to 7% annually.

Total rent receivables arising from lease of investment properties amounted to P76.39 million and P69.74 million as of December 31, 2021 and 2020, respectively.

Future minimum rentals receivable under non-cancellable operating leases of the Group follow:

	2021	2020
Within one (1) year	P23,597,128	P30,580,797
After one year but not more than five (5) years	94,388,514	72,325,855
More than five (5) years	39,463,238	16,470,430
	P157,448,880	P119,377,082



The Group has entered into residential property leases on its residential condominium unit's portfolio. These leases have a period of two (2) years and the lessee is given the right to purchase the property at the end of the lease period provided that the lessee does not have any arrears in rental payment, condominium dues and other charges. These arrangements were assessed as operating leases and in 2021, the Group recognized income from these leases amounted to ₱10.48 million (see Note 22).

Contingencies

The Group has various collection cases or claims against or from its customers and certain administrative and civil cases, arising in the ordinary conduct which are either pending decision by the courts or are under negotiation, the outcome of which are not presently determinable. In the opinion of the management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material effect on the financial statements. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of these lawsuits, claims and assessments. No provisions were made in 2021, 2020 and 2019 for these lawsuits and claims.

29. Segment Information

For management purposes, the Group's operating segments are organized and managed separately according to the nature of services offered, which comprises of three main groupings as follows:

Developer - focused in mid-income residential development of condominiums and subdivisions under DMCI Project Developers, Inc. and Hampstead Gardens Corporation.

Hotels - focused on hotel services of the DMCI Hotels, Inc. for the hotel operations of Alta Vista de Boracay.

Property Management - pertains to operations of DMCI Property Management Corporation which focuses on management and administrative services rendered to condominium corporations.

Others - operations of DMCI Homes, Inc., Riviera Land Corporation, Zenith Mobility Solutions Services, Inc., and L & I Development Corporation, which pertain to management, advertising, leasing, and elevator and maintenance services.

The financial information about the operations of these business segments is summarized below:

	December 31, 2021					
	Developer	Hotels	Property Management	Others	Elimination	Consolidated
Assets						
Current assets	₱64,213,818,097	₱18,229,154	₱285,111,213	₱209,684,749	₱286,441,040	₱65,013,284,253
Noncurrent assets	17,463,999,680	56,991,715	8,969,731	4,020,890	(501,567,439)	17,032,414,577
Total Assets	₱81,677,817,777	₱75,220,869	₱294,080,944	₱213,705,639	(215,126,399)	₱82,045,698,830
Liabilities						
Current liabilities	₱20,676,100,896	₱81,750,581	₱119,340,679	₱52,183,923	(₱389,743,922)	₱20,539,632,157
Noncurrent liabilities	34,244,780,987	–	30,472,287	–	(3,937,500)	34,271,315,774
Total Liabilities	₱54,920,881,883	₱81,750,581	₱149,812,966	₱52,183,923	(₱393,681,422)	₱54,810,947,931
Revenue	₱24,575,749,786	₱1,966,118	₱224,574,231	₱91,588,651	(₱236,889,300)	₱24,656,989,486
Direct cost	(17,713,791,110)	(3,430,536)	(104,348,710)	(66,579,117)	217,695,495	(17,670,453,978)
General and administrative expenses	(2,323,117,874)	(15,829,282)	(69,907,562)	(4,825,803)	–	(2,413,680,521)
Finance income - net	222,937,995	6,252	47,684	464,493	–	223,456,424
Other income	1,242,392,772	222,016	–	53,766	(3,794,658)	1,238,873,896
Dividend income	58,000,000	–	–	–	(58,000,000)	–
Equity in net earnings of associates	–	–	–	–	45,478,609	45,478,609
Income (loss) before tax	6,062,171,569	(17,065,432)	50,365,643	20,701,990	(35,509,854)	6,080,663,916
Provision for (benefit from) income tax	(862,328,038)	(1,135)	(24,009,959)	(5,182,724)	–	(891,521,856)
Net income	₱5,199,843,531	(₱17,066,567)	₱26,355,684	₱15,519,266	(₱35,509,854)	₱5,189,142,600
Cash flows arising from:						
Operating activities	(3,693,708,492)	(3,939,562)	2,676,961	11,308,044	–	(3,683,663,049)
Investing activities	295,356,487	(1,781,144)	(6,400,089)	(14,865,857)	–	272,309,397
Financing activities	3,117,311,068	–	–	–	–	3,117,311,068
Noncash items:						
Depreciation and amortization	₱524,901,415	4,730,145	4,067,603	309,255	–	₱534,008,418
Transfers to PPE	140,134,599	–	–	–	–	140,134,599



December 31, 2020						
	Developer	Hotels	Property Management	Others	Elimination	Consolidated
Assets						
Current assets	₱63,135,217,972	₱26,908,711	₱268,032,412	₱330,966,078	₱171,183,985	₱63,932,309,158
Noncurrent assets	12,319,900,376	59,940,715	10,989,940	3,037,286	(479,057,580)	11,914,810,737
Total Assets	₱75,455,118,348	₱86,849,426	₱279,022,352	₱334,003,364	(307,873,595)	₱75,847,119,895
Liabilities						
Current liabilities	₱19,238,993,178	₱76,312,571	₱126,974,505	₱188,000,914	(₱505,000,971)	₱19,125,280,197
Noncurrent liabilities	33,527,271,846	-	45,584,267	-	(3,937,500)	33,568,918,613
Total Liabilities	₱52,766,265,024	₱76,312,571	₱172,558,772	₱188,000,914	(₱508,938,471)	₱52,694,198,810
Revenue	₱16,092,440,897	₱19,597,040	₱204,644,897	₱69,291,297	(₱119,086,923)	₱16,266,887,208
Direct cost	(13,051,827,856)	(27,209,010)	(90,054,404)	(56,828,106)	105,274,029	(13,120,645,347)
General and administrative expenses	(2,061,362,771)	(34,241,275)	(71,820,124)	(4,219,127)	-	(2,171,643,297)
Finance income - net	314,659,086	338,019	69,181	1,230,817	-	316,297,103
Other income	749,746,363	(961,942)	152,243	147,117	(7,531,041)	741,552,740
Dividend income	80,877,000	-	-	-	(80,877,000)	-
Equity in net earnings of associates	-	-	-	-	31,854,424	31,854,424
Income (loss) before tax	2,124,532,719	(42,477,168)	42,991,793	9,621,998	(70,366,511)	2,064,302,831
Provision for (benefit from) income tax	(630,673,545)	1,505,148	(24,137,066)	(4,196,340)	-	(657,501,803)
Net income	₱1,493,859,174	(₱40,972,020)	₱18,854,727	₱5,425,658	(₱70,366,511)	₱1,406,801,028
Cash flows arising from:						
Operating activities	(₱2,677,875,762)	(₱67,838,936)	₱16,148,804	(₱8,526,404)	(₱624,345,000)	(3,362,437,298)
Investing activities	(311,637,393)	(4,192,380)	(5,694,245)	(96,875)	624,345,000	302,724,107
Financing activities	1,928,976,616	-	-	-	-	1,928,976,616
Noncash items:						
Depreciation and amortization	₱548,077,112	₱5,837,682	₱5,539,519	₱258,517	₱-	₱559,712,830
Transfers to PPE	362,567,843	-	-	-	-	362,567,843

December 31, 2019						
	Developer	Hotels	Property Management	Others	Elimination	Consolidated
Assets						
Current assets	₱60,025,167,733	₱135,600,087	₱230,888,575	₱400,059,250	(₱491,320,696)	₱60,300,394,949
Noncurrent assets	10,525,264,479	61,586,017	7,695,255	3,198,929	167,915,132	10,765,659,812
Total Assets	₱70,550,432,212	₱197,186,104	₱238,583,830	₱403,258,179	(₱323,405,564)	₱71,066,054,761
Liabilities						
Current liabilities	₱21,420,040,874	₱126,227,230	₱103,947,857	₱228,438,638	(₱550,890,860)	₱21,327,763,739
Noncurrent liabilities	26,615,327,515	-	29,024,206	242,748	(3,937,500)	26,640,656,969
Total Liabilities	₱48,035,368,389	₱126,227,230	₱132,972,063	₱228,681,386	(₱554,828,360)	₱47,968,420,708
Revenue	₱18,073,946,611	₱255,705,698	₱190,091,425	₱67,050,739	₱-	₱18,586,794,473
Direct cost	(12,949,936,292)	(175,995,095)	(79,540,709)	(37,288,062)	36,265,686	(13,206,494,472)
General and administrative expenses	(2,321,360,330)	(44,067,146)	(56,990,446)	(5,227,984)	-	(2,427,645,906)
Finance income - net	325,879,344	2,996,183	47,733	2,238,992	-	331,162,252
Other income	1,144,661,848	7,179,078	1,536,457	57,433	(36,265,686)	1,117,169,130
Dividend income	34,535,000	-	-	-	(33,660,000)	875,000
Equity in net earnings of associates	-	-	-	-	57,871,060	57,871,060
Income before tax	4,307,726,181	45,818,718	55,144,460	26,831,118	24,211,060	4,459,731,537
Provision for income tax	(1,320,316,894)	(13,443,397)	(23,612,827)	(7,389,540)	-	(1,364,762,658)
Net income	₱2,987,409,287	₱32,375,321	₱31,531,633	₱19,441,578	₱24,211,060	₱3,094,968,879
Cash flows arising from:						
Operating activities	(₱4,473,402,334)	₱54,356,194	₱14,679,617	(₱3,226,817)	₱-	(₱4,407,593,340)
Investing activities	(1,438,288,640)	(60,740,864)	(4,043,084)	(541,205)	(21,975,000)	(1,525,588,793)
Financing activities	5,667,111,065	(16,000,000)	-	(10,000,000)	12,770,000	5,653,881,065
Noncash items:						
Depreciation and amortization	₱429,045,441	₱4,518,427	₱6,613,934	₱248,095	₱-	₱440,425,897

Management, through Executive Committee, monitors segment net income for the purpose of making decision about resources allocation. Segment performance is evaluated based on net income, which is accounted for differently in the consolidated statements of comprehensive income.

In 2021 and 2020, the Group reclassified cost of real estate inventories to property and equipment amounting to ₱140.13 million and ₱362.57 million to be used for construction of the Group's projects. There were no other transfers of property and equipment and investment property to real estate inventories in 2021, 2020, and 2019.

The Group has no revenue from transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.



Disaggregation of Revenue Information

The Group derives revenue from the transfer of goods and services over time and at a point in time, in different product types. The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

Real estate sales

	2021	2020	2019
Type of Product			
High-rise condominium	₱22,685,122,395	₱14,722,930,416	₱9,247,563,507
Medium-rise condominium	208,715,656	1,011,584,705	5,874,051,440
Hybrid condominium	686,179,931	112,095,764	2,323,824,227
House and lot	521,953,203	7,656,167	628,507,437
	₱24,101,971,185	₱15,854,267,052	₱18,073,946,611

Real estate sales arise from its developer segment and RLC under other segments. All of the Group's real estate sales are revenue from contracts with customers recognized over time.

Contractor's Revenue

Contractors revenue arise from the Design and Build Agreement with RPDVI for the design, supply, labor and installation of material, labor and equipment, and supervision of the design and build of Sonora Garden Residences Project. The revenue is recognized over time using the POC method and applies input method to measure the progress of construction. The amount of revenue to be recognized is based on the actual costs incurred over the total budgeted cost of the project. The Company recognized contractor's revenue amounting to ₱236.89 million and ₱119.09 million in 2021 and 2020, respectively.

Hotel services

	2021	2020	2019
Type of Product			
Rooms	₱1,309,006	₱14,711,902	₱170,662,193
Food and beverages	569,674	4,709,781	82,627,385
Transportation services	87,438	175,357	2,416,120
	₱1,966,118	₱19,597,040	₱255,705,698

Revenues earned from hotel services pertain to revenue from contracts with customers, food and beverages and transportation services which are recognized at a point in time or when the related sales and services are rendered.

Property management services

	2021	2020	2019
Type of Services			
Management fees	₱162,454,944	₱145,062,007	₱56,550,130
Reimbursable fees	62,119,287	59,582,890	133,541,295
	₱224,574,231	₱204,644,897	₱190,091,425



Revenues from reimbursable and management fees are recognized over time.

Elevator and maintenance services

	2021	2020	2019
Type of Services			
Service revenue	₱51,269,578	₱32,080,112	₱36,885,882
Sales revenue	40,319,073	37,211,184	30,164,857
	₱91,588,651	₱69,291,296	₱67,050,739

Service revenue is recognized over time while sales revenue is recognized at a point in time.

Performance obligations

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

Real estate sales

The Group entered into contracts to sell with one (1) identified performance obligation which is the sale of the real estate unit. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover either the: (i) serviced lot; (ii) serviced lot and house, and; (iii) condominium unit. The Group concluded that there is one (1) performance obligation in each of these contracts. The Group recognizes revenue from the sale of real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

After the delivery of the completed real estate unit, the Group provides two-year warranty to repair minor defects on the delivered real estate unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) are as follows:

	2021	2020
Within one year	₱27,400,106,346	₱26,523,441,752
More than one year	38,604,479,234	49,242,219,498
	₱66,004,585,580	₱75,765,661,250

The remaining performance obligations expected to be recognized within one (1) year and in more than one (1) year relate to the continuous development of the Group's real estate projects. The Group's construction of condominium units are normally completed within three (3) to seven (7) years.



Contractor's revenue

Revenue from construction services with customers is recognized over time using the input method. Contract with customers also include revenue from the Design and Build Agreement with RDPVI for the performance obligation of design, supply, labor and installation of material, labor and equipment, and supervision of the design and build of Sonora Garden Residences Project. The amount of revenue recognized from amounts included in contract liabilities at the beginning of the year amounted to ₱76.62 million and ₱51.93 million in 2021 and 2020, respectively (nil in 2019; see Note 19).

The remaining performance obligations expected to be recognized within one (1) year and in more than one (1) year relate to the continuous development of the construction of the project.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) are as follows:

	2021	2020
Within one year	₱377,373,786	₱499,591,827
More than one year	1,996,918,081	2,111,589,341
	₱2,374,291,867	₱2,611,181,168

30. Financial Instruments – Fair Value Information

The following tables set forth the carrying values and estimated fair values of the Group's financial assets and financial liabilities recognized as of December 31, 2021 and 2020:

	2021		2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Other financial liabilities				
Loans payable	₱32,634,591,651	₱33,636,884,947	₱28,314,873,498	₱30,842,879,241
Liabilities for purchased land	1,571,369,622	1,487,640,524	2,019,605,056	1,946,961,777
Total financial liabilities	₱34,205,961,273	₱35,124,525,471	₱30,334,478,554	₱32,789,841,018

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

- Due to the short-term nature of the transactions and interest earned from the deposits, the carrying amounts of cash and cash equivalents, receivables, deposit in escrow fund under "Other current assets", recoverable deposits and contract retention under "Other noncurrent assets", accounts and other payables, and payables to related parties approximate their fair values.
- The fair values of loans payable and liabilities for purchased land are based on the discounted value of future cash flows using the applicable rates for similar types of loans.

The discount rates used for loans payable range from 0.20% to 4.57% in 2021 and 0.99% to 2.78% in 2020. Liabilities for purchased land were discounted at 1.67% to 4.43% in 2021 and 1.71% to 2.66% in 2020.

Fair Value Hierarchy

The carrying value and fair value of loans payable and liabilities for purchased land are categorized under Level 3 in the fair value hierarchy using discounted cash flow analysis. There were no transfers among Levels 1, 2 and 3 for the years ended December 31, 2021 and 2020.



31. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of financial asset at amortized cost, loans payable, liabilities for purchased land, accounts and other payables and payables to related parties.

The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarized below:

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities such as bank loans.

The following table summarizes the maturity profile of the Group's financial assets and financial liabilities as of December 31, 2021 and 2020, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity dates. Balances due within twelve (12) months equal their carrying amounts, as the impact of discounting is insignificant.

	2021					Total
	< 1 year	1 to < 2 years	2 to < 3 years	3 to < 5 years	> 5 years	
Financial assets at amortized cost						
Cash and cash equivalents	₱4,472,228,172	₱-	₱-	₱-	₱-	₱4,472,228,172
Receivables:						
Trade:						
Installment contracts receivable	2,776,999,872	-	-	-	-	2,776,999,872
Receivables from buyers	743,120,459	-	-	-	-	743,120,459
Property management	164,102,443	-	-	-	-	164,102,443
Contract receivable	180,638,449	-	-	-	-	180,638,449
Elevator and maintenance	18,726,616	-	-	-	-	18,726,616
Hotel operations	2,476,034	-	-	-	-	2,476,034
Receivables from:						
Condominium corporations	409,727,085	-	-	-	-	409,727,085
Rental	76,392,799	-	-	-	-	76,392,799
Employees	34,537,220	-	-	-	-	34,537,220
Related parties	120,475,770	-	-	-	-	120,475,770
Others	181,304,867	-	-	-	-	181,304,867
Deposit in escrow fund	340,623,169	-	-	-	-	340,623,169
Recoverable deposits	-	299,786,949	-	-	-	299,786,949
Others*	196,696,200	-	-	-	-	196,696,200
Contract retention	-	-	-	-	96,804,983	96,804,983
Total financial assets	₱9,718,049,155	₱299,786,949	₱-	₱-	₱96,804,983	₱10,114,641,087
Other financial liabilities						
Loans payable**	₱7,052,696,032	₱3,858,918,106	₱15,233,544,970	₱11,829,113,638	₱37,974,272,747	₱75,948,545,493
Liabilities for purchased land	601,817,432	815,476,331	9,111,120	39,162,905	105,801,834	1,571,369,622
Accounts and other payables						
Accounts payable - trade	2,526,396,820	-	-	-	-	2,526,396,820
Commission payable	1,113,336,211	1,079,558,646	-	-	-	2,192,894,857
Dividends payable	800,000,000	-	-	-	-	800,000,000
Retention payable	848,354,317	-	-	-	-	848,354,317
Accrued interest payable	195,980,079	-	-	-	-	195,980,079
Refundable deposits	292,228,612	-	-	-	-	292,228,612
Accrued expenses***	99,827,917	-	-	-	-	99,827,917
Others	106,559,982	-	-	-	-	106,559,982
Other financial liabilities	₱13,637,197,402	₱5,753,953,083	₱15,242,656,090	₱11,868,276,543	₱38,080,074,581	₱84,582,157,699



	2020					
	< 1 year	1 to < 2 years	2 to < 3 years	3 to < 5 years	> 5 years	Total
Financial assets at amortized cost						
Cash and cash equivalents	₱4,766,268,217	₱-	₱-	₱-	₱-	₱4,766,268,217
Receivables:						
Trade:						
Installment contracts receivable	5,627,899,190	-	-	-	-	5,627,899,190
Receivables from buyers	837,840,279	-	-	-	-	837,840,279
Property management	148,758,324	-	-	-	-	148,758,324
Contract receivable	115,178,869	-	-	-	-	115,178,869
Elevator and maintenance	28,910,571	-	-	-	-	28,910,571
Hotel operations	1,930,800	-	-	-	-	1,930,800
Receivables from:						
Condominium corporations	379,503,663	-	-	-	-	379,503,663
Rental	69,739,790	-	-	-	-	69,739,790
Employees	30,006,898	-	-	-	-	30,006,898
Related parties	17,189,720	-	-	-	-	17,189,720
Others	127,625,464	-	-	-	-	127,625,464
Deposit in escrow fund	229,206,785	-	-	-	-	229,206,785
Recoverable deposits	-	234,666,578	-	-	-	234,666,578
Others*	141,217,379	-	-	-	-	141,217,379
Contract retention	-	-	-	-	34,616,721	34,616,721
Total financial assets	₱12,521,275,949	₱234,666,578	₱-	₱-	₱34,616,721	₱12,790,559,248
Other financial liabilities						
Loans payable**	₱4,050,632,691	₱3,850,364,575	₱3,584,215,291	₱5,597,615,081	₱16,763,011,864	₱33,845,839,502
Liabilities for purchased land	849,023,520	984,491,131	19,303,120	60,985,451	105,801,834	2,019,605,056
Accounts and other payables						
Accounts payable - trade	2,558,648,539	-	-	-	-	2,558,648,539
Commission payable	1,381,208,708	1,172,543,428	-	-	-	2,553,752,136
Dividends payable	713,573,000	-	-	-	-	713,573,000
Retention payable	678,253,452	-	-	-	-	678,253,452
Accrued interest payable	375,356,339	-	-	-	-	375,356,339
Refundable deposits	322,413,218	-	-	-	-	322,413,218
Accrued expenses***	61,127,697	-	-	-	-	61,127,697
Others	68,066,275	-	-	-	-	68,066,275
Payables to related parties	94,105,428	-	-	-	-	94,105,428
Other financial liabilities	₱11,152,408,867	₱6,007,399,134	₱3,603,518,411	₱5,658,600,532	₱16,868,813,698	₱43,290,740,642

*Excluding inventory spare parts amounting to ₱21.17 million

**Including future interest payment

***Excluding nonfinancial liabilities amounting to ₱674.93 million

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's financial instruments affected by market risk include loans payable and cash and cash equivalents.

a.) Interest rate risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's bank loans with floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable debt rate debts. Out of the total bank loans, those with floating interest rates are 27.03% in 2021 and 23.01% in 2019.

The terms of the interest-bearing financial liabilities, together with its corresponding nominal amounts and carrying values are shown in the following table:

	2021		2020	
	Effective Interest Rate	Amount	Effective Interest Rate	Amount
Loans payable				
Term loans and corporate notes	2.09% to 6.33%	₱30,193,556,747	2.67% to 6.72%	₱28,060,427,388
Liabilities on installment contract receivables sold to banks	3.55% to 6.00%	2,441,034,904	4.00% to 6.19%	55,652,870
HomeSaver Bonds	-	-	4.75% to 5.25%	198,793,240
		₱32,634,591,651		₱28,314,873,498



The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant of the Group's profit before tax as of December 31, 2021 and 2020.

	Change in basis points	2021		2020	
		Effect on income before income tax	Effect on equity	Effect on income before income tax	Effect on equity
Loans payable	+100 bps	(P88,208,306)	(P61,745,814)	(P65,158,857)	(P45,611,200)
	-100 bps	88,208,306	61,745,814	65,158,857	45,611,200

The assumed movement in basis points for interest rate sensitivity analysis is based on the Group's historical changes in market interest rates on unsecured bank loans.

The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values are shown in the following table:

	Interest terms (p.a.)	Rate Fixing Period	2021				Carrying Value
			Nominal Amount	< 1 year	1 to 5 years	> 5 years	
Cash in banks and cash equivalents	Fixed at the date of investment	Various	P4,468,700,616	P4,468,700,616	P-	P-	P4,468,700,616
Loans payable							
	Floating at 8.12% to 11.23% over the remaining term	Annually	2,441,034,904	2,424,580,500	16,454,404	-	2,441,034,904
Peso	Floating at 4.00% to 6.58%	Quarterly	6,379,795,735	115,982,985	6,263,812,750	-	6,379,795,735
Peso			P13,289,531,255	P7,009,264,101	P6,280,267,154	P-	P13,289,531,255

	Interest terms (p.a.)	Rate Fixing Period	2020				Carrying Value
			Nominal Amount	< 1 year	1 to 5 years	> 5 years	
Cash in banks and cash equivalents	Fixed at the date of investment	Various	P4,762,919,471	P4,762,919,471	P-	P-	P4,762,919,471
Loans payable							
	Floating at 8.12% to 11.23% over the remaining term	Annually	55,652,870	17,179,947	38,472,923	-	55,652,870
Peso	Floating at 4.00% to 6.58%	Quarterly	6,460,302,842	80,429,407	6,379,803,435	-	6,460,232,842
Peso			P11,278,875,183	P4,860,528,825	P6,418,276,358	P-	P11,278,805,183

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's exposure to credit risk arises from default of the counterparties which include certain financial institutions, real estate buyers and related parties. To manage credit risks, the Group maintains defined credit policies and monitors its exposure to credit risks on a continuous basis. The credit risk is concentrated to the following customers:

	2021	2020
Real estate buyers	93.11%	91.94%
Others	6.89%	8.06%
Total	100.00%	100.00%



In respect of installment contracts receivable from the sale of real estate properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. An impairment analysis is performed at each reporting date using a vintage analysis to measure expected credit losses. The default rates are based on historical credit loss experience for groupings of various customer segments with similar loss patterns (i.e., by payment scheme and collateral type) and are adjusted with forward looking information. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g., grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Given this, based on the experience of the Group, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default (i.e., recovery rate is more than 100%). The Group evaluates the concentration of risk with respect to installment contracts receivable and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act (“Bayanihan 1 Act”) was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act (“Bayanihan 2 Act”), was enacted. Under Bayanihan 2 Act, a onetime sixty (60)-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other charges. As a result of the enacted Bayanihan 1 Act, on April 3, 2020, the DHSUD issued Department Order 2020-004 which states that upon lifting of the enhanced community quarantine period and thirty (30) days thereafter, the accumulated installment payment or payments shall be payable within the succeeding six (6)-month period without incurring interests and penalties. In 2020, the Group provided reliefs under Bayanihan 1 Act, Bayanihan 2 Act and Department Order 2020-004 of DHSUD, which offered financial reliefs to its customers as a response to the effect of the COVID-19 pandemic. These relief measures included the extension of payment terms for the Group.

Based on the Group’s assessment, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and therefore do not result in the derecognition of the affected financial assets.

The repossessed lots and residential houses are recorded back to inventory under the “Real estate inventories” account and are held for sale in the ordinary course of business. The total of these inventories amounts to ₱801.89 million and ₱1,219.46 million as at December 31, 2021 and 2020, respectively. The Group performs certain repair activities on the said repossessed assets in order to put their condition at a marketable state. Costs incurred in bringing the repossessed assets to its marketable state are included in their carrying amounts.



Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Cash and cash equivalents are placed in various banks. Material amounts are held by banks which belong to the top five (5) banks in the country. The rest are held by local banks that have good reputation and low probability of insolvency. These are considered to be low credit risk investments. The Group's maximum exposure to credit risk as of December 31, 2021 and 2020 is equal to the carrying values of its financial assets.

The tables below present the summary of the Group's exposure to credit risk as of December 31 and show the credit quality of the assets by indicating whether the assets are subjected to the 12-month ECL or lifetime ECL.

	2021		2020	
	12-month ECL	Lifetime ECL Not credit impaired	12-month ECL	Lifetime ECL Not credit impaired
Cash and cash equivalents*	₱4,468,700,616	₱-	₱4,762,919,471	₱-
Trade:				
Installment contracts receivable	-	2,776,999,872	-	5,627,899,190
Receivables from buyers	-	743,120,459	-	837,840,279
Property management**	-	136,772,870	-	148,758,324
Elevator and maintenance	-	18,726,616	-	28,910,571
Hotel operations	-	2,476,034	-	1,930,800
Receivables from:				
Condo corporations**	₱-	₱395,709,838	₱-	₱379,503,663
Rental	-	76,392,799	-	69,739,790
Employees**	-	32,175,760	-	30,006,898
Related parties	-	120,475,770	-	17,189,720
Others	-	181,304,867	-	127,625,464
Deposit in escrow fund	340,623,169	-	229,206,785	-
Recoverable deposits	299,786,949	-	234,666,578	-
Contract retention	96,804,983	-	34,616,721	-
	₱5,205,915,717	₱4,484,154,885	₱5,261,409,555	₱7,269,404,699

*Excludes cash on hand

**Excludes allowance for expected losses

As of December 31, 2021 and 2020, the aging analyses per class of loan-related financial assets follow:

	2021						Total
	Neither Past Due Nor Impaired	Past Due But Not Impaired				Impaired Financial Assets	
		<30 days	30-60 days	61-90 days	>90 days		
Trade:							
Installment contracts receivable	₱-	₱463,472,527	₱1,050,162,247	₱716,219,796	₱547,145,302	₱-	₱2,776,999,872
Receivables from buyer	743,120,459	-	-	-	-	-	743,120,459
Property management	-	26,639,441	6,769,989	4,946,380	98,417,060	27,329,573	164,102,443
Contract receivables	180,638,449	-	-	-	-	-	180,638,449
Elevator and maintenance	-	10,740,556	4,336,230	608,022	3,041,808	-	18,726,616
Hotel operations	-	-	-	-	2,476,034	-	2,476,034
Receivables from:							
Condo corporations	395,709,837	-	-	-	-	14,017,248	409,727,085
Rental	76,392,799	-	-	-	-	-	76,392,799
Employees	32,175,760	-	-	-	-	2,361,460	34,537,220
Related parties	120,475,770	-	-	-	-	-	120,475,770
Others	181,304,867	-	-	-	-	-	181,304,867
	₱1,729,817,941	₱500,852,524	₱1,061,268,466	₱721,774,199	₱651,080,204	₱43,708,281	₱4,708,501,614



	2020						Impaired Financial Assets	Total
	Neither Past Due Nor Impaired	Past Due But Not Impaired						
		<30 days	30-60 days	61-90 days	>90 days			
Trade:								
Installment contracts receivable	₱1,870,154,956	₱1,483,912,289	₱377,030,847	₱439,596,655	₱1,457,204,443	₱-	₱5,627,899,190	
Receivables from buyer	837,840,279	-	-	-	-	-	837,840,279	
Property management	-	10,930,554	7,961,330	7,012,125	108,018,061	14,836,254	148,758,324	
Contract receivables	115,178,869	-	-	-	-	-	115,178,869	
Elevator and maintenance	-	15,489,633	4,540,052	2,346,647	6,534,239	-	28,910,571	
Hotel operations	-	-	-	-	1,930,800	-	1,930,800	
Receivables from:								
Condo corporations	363,994,001	-	-	-	-	15,509,662	379,503,663	
Rental	69,739,790	-	-	-	-	-	69,739,790	
Employees	27,171,563	-	-	-	-	2,835,335	30,006,898	
Related parties	17,189,720	-	-	-	-	-	17,189,720	
Others	127,625,464	-	-	-	-	-	127,625,464	
	₱3,428,894,642	₱1,510,332,476	₱389,532,229	₱448,955,427	₱1,573,687,543	₱33,181,251	₱7,384,583,568	

The table below shows the credit quality of the Group's loan-related financial assets as of December 31, 2021 and 2020.

High Quality. This pertains to a counterparty who is not expected to default in settling its obligations, thus credit risk is minimal. This normally includes large prime financial institutions and companies.

Standard Quality. Other financial assets not belonging to the high quality category are included in this category.

	2021			2020		
	High Quality	Standard Quality	Total	High Quality	Standard Quality	Total
Cash and cash equivalents*	₱4,468,700,616	₱-	₱4,468,700,616	₱4,762,919,471	₱-	₱4,762,919,471
Trade:						
Installment contracts receivable	-	2,776,999,872	2,776,999,872	-	5,627,899,190	5,627,899,190
Receivables from buyers	-	743,120,459	743,120,459	-	837,840,279	837,840,279
Property management	-	164,102,443	164,102,443	-	148,758,324	148,758,324
Contracts Receivable	-	180,638,449	180,638,449	-	115,178,869	115,178,869
Elevator and maintenance	-	18,726,616	18,726,616	-	28,910,571	28,910,571
Hotel operations	-	2,476,034	2,476,034	-	1,930,800	1,930,800
Receivables from:						
Condo corporations	-	409,727,085	409,727,085	-	379,503,663	379,503,663
Rental	-	76,392,799	76,392,799	-	69,739,790	69,739,790
Employees	-	34,537,220	34,537,220	-	30,006,898	30,006,898
Related parties	-	120,475,770	120,475,770	-	17,189,720	17,189,720
Others	-	181,304,867	181,304,867	-	127,625,464	127,625,464
Deposit in escrow fund	340,623,169	-	340,623,169	229,206,784	-	229,206,784
Recoverable deposits	299,786,949	-	299,786,949	234,666,578	-	234,666,578
Contract retention	-	96,804,983	96,804,983	-	34,616,721	34,616,721
	₱5,109,110,734	₱4,805,306,597	₱9,914,417,331	₱5,226,792,833	₱7,419,200,289	₱12,645,993,122

*Excludes cash on hand

32. Earnings Per Share

Basic/diluted earnings per share amounts attributable to equity holders of the Parent Company are computed as follows:

	2021	2020	2019
Net income attributable to equity holders of Parent company	₱5,189,073,080	₱1,406,833,028	₱3,086,484,447
Divided by the weighted average number of common shares	3,487,727,331	3,487,727,331	3,487,727,331
Basic/diluted earnings per share	₱1.488	₱0.403	₱0.885



There were no potential dilutive common shares for the years ended December 31, 2021, 2020 and 2019.

33. Notes to Statements of Cash Flows

The Group's investing activities consist of the following:

	2021	2020	2019
Transfer from software cost to general and administrative expenses (Note 13)	₱17,152,783	₱–	₱–
Transfer from real estate inventories to property and equipment (Note 9)	140,134,599	362,567,843	–

Disclosed below is the rollforward of liabilities under financing activities:

2021

	January 1, 2021	Cash flows	Noncash changes	December 31, 2021
Loans payable (Note 16)	₱28,314,873,498	₱4,278,639,763	₱41,078,390	₱32,634,591,651
Dividends (Notes 18 and 20)	713,573,000	(1,158,573,000)	1,245,000,000	800,000,000
Interest payable (Note 18)	375,356,339	(2,755,695)	(176,620,565)	195,980,079
Total	₱29,403,802,837	₱3,117,311,068	₱1,109,457,825	₱33,630,571,730

Noncash changes pertain to transfers from real estate inventories to property and equipment amounting to ₱140.13 million, dividends declared and interest expense (see Notes 9, 14, 16, 20, and 25).

2020

	January 1, 2020	Cash flows	Noncash changes	December 31, 2020
Loans payable (Note 16)	₱25,786,128,762	₱2,491,614,149	₱37,130,587	₱28,314,873,498
Dividends (Notes 18 and 20)	–	(547,287,502)	1,260,860,502	713,573,000
Interest payable (Note 18)	256,121,816	(15,350,031)	134,584,554	375,356,339
Total	₱26,042,250,578	₱1,928,976,616	₱1,432,575,643	₱29,403,802,837

Noncash changes pertain to dividends and interest expense, excluding accretion of unamortized discount on liabilities for purchased land (see Notes 16, 17, 20 and 25).

2019

	January 1, 2019	Cash flows	Noncash changes	December 31, 2019
Loans payable (Note 16)	₱18,771,487,440	₱6,979,436,402	₱35,204,920	₱25,786,128,762
Dividends (Notes 18 and 20)	5,390,000	(1,288,843,414)	1,283,453,414	–
Interest payable (Note 18)	204,142,265	(36,711,923)	88,691,474	256,121,816
Total	₱18,981,019,705	₱5,653,881,065	₱1,407,349,808	₱26,042,250,578

34. Events after reporting period

On February 21, 2022, the BOD approved and resolved the merger of the Parent Company with its subsidiary, L&I Development Corporation with the Parent Company as the surviving corporation for the development of a parcel of land situated in Quezon City.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
DMCI Project Developers, Inc.
DMCI Homes Corporate Center
1321 Apolinario St., Bangkal
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of DMCI Project Developers, Inc. and its subsidiaries (the Group) as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 and have issued our report thereon dated February 24, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. The schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements.

SYCIP GORRES VELAYO & CO.



Dhonabee B. Señeres

Partner

CPA Certificate No. 97133

Tax Identification No. 201-959-816

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 97133-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-098-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8854369, January 3, 2022, Makati City

February 24, 2022



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
DMCI Project Developers, Inc.
DMCI Homes Corporate Center
1321 Apolinario St., Bangkal
Makati City

We have audited the consolidated financial statements of DMCI Project Developers, Inc. (the Parent Company) and its subsidiaries as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021, on which we have rendered the attached report dated February 24, 2022.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that as of December 31, 2021, the Parent Company has five (5) stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.



Dyonabee B. Señeres

Partner

CPA Certificate No. 97133

Tax Identification No. 201-959-816

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 97133-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-098-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8854369, January 3, 2022, Makati City

February 24, 2022



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
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Related Parties and Principal Stockholders (Other than Related Parties)
 - C. Amounts Receivable from Related Parties which are Eliminated during
the Consolidation of Financial Statements
 - D. Long-term Debt
 - E. Indebtedness to Related Parties
 - F. Guarantees of Securities of Other Issuers
 - G. Capital Stock

- II. Reconciliation of Retained Earnings Available for Dividend Declaration (Annex 68-D)

- III. Map of the relationship of the companies within the Group

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES**SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON REVISED SECURITIES REGULATION CODE (SRC)****RULE 68****DECEMBER 31, 2021**

Below are the additional information and schedules required by Revised SRC Rule 68 that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not required part of the consolidated financial statements.

Schedule A. Financial Assets

Name of issuing entity and association of each issue	Amount shown on the balance sheet	Income accrued and received
A. Cash in banks	₱3,673,706,466	₱3,192,421
Eastwest Universal Bank		
Peso	744,677,065	
Foreign Currency	152,820	
China Banking Corporation	728,641,905	
Philippine National Bank	248,556,630	
Bank of the Philippine Islands	427,906,678	
Banco De Oro Unibank	772,941,714	
Others	750,829,654	
B. Cash equivalents	₱794,994,150	₱17,592,261
C. Loans and receivables	₱5,124,565,003	₱320,434,026
Receivables	4,484,154,885	320,434,026
Deposit in escrow	340,623,169	—
Recoverable deposits	299,786,949	—

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period
<i>Not applicable. The Group does not have amounts receivable from directors, officers and principal stockholders above ₱1.00 million or 1% of total consolidated assets as of December 31, 2021.</i>							

Schedule C. Amounts Receivable from/Payables to Related Parties which are eliminated during the Consolidated of Financial Statements

The following is the schedule of receivables from related parties, which are eliminated in the consolidated financial statements as at December 31, 2021:

Entity with Receivable Balance	Name of Entity with Payable Balance	Due from related party	Due to related party
Riviera Land Corporation	DMCI Project Developers, Inc.	₱134,369,561	(134,369,561)
Hampstead Gardens Corporation	DMCI Project Developers, Inc.	85,447,210	(85,447,210)
DMCI Project Developers, Inc.	DMCI Homes Property Management Corporation	64,719,039	(64,719,039)
DMCI Project Developers, Inc.	DMCI PDI Hotels, Inc.	32,789,448	(32,789,448)
DMCI Project Developers, Inc.	Zenith Mobility Solutions Services, Inc.	221,523	(221,523)
DMCI Homes Property Management Corporation	DMCI PDI Hotels, Inc.	394	(394)

As of December 31, 2021, the balances above of due from and due to related parties are expected to be realized and settled within twelve months from the reporting date and are classified under current assets and liabilities. There were no amounts written off during the year.

Schedule D. Long-term Debt

Below is the schedule of long-term debt (net of unamortized debt issue cost) of the Group:

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet	Interest Rate	Maturity Date
Term loans and corporate notes	₱30,193,556,747	₱3,285,600,022	₱26,907,956,725	Various	Various
Receivables Discounting	2,441,034,904	2,424,580,500	16,454,404	6.12%	Various
	₱32,634,591,651	₱5,710,180,522	₱26,924,411,129		

Schedule E. Indebtedness to Related Parties (Long Term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
NOT APPLICABLE		

Schedule F. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the group for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount of owned by person for which statement is filed	Nature of guarantee
NOT APPLICABLE				

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common stock - ₱1 par value	5,000,000,000	3,487,727,331	–	3,487,724,325	3,006	–

See Note 20 of the Consolidated Financial Statements

DMCI PROJECT DEVELOPERS, INC.**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE
FOR DIVIDENDS DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

Unappropriated Retained Earnings, beginning	₱3,174,924,068
Less adjustment on deferred tax assets, beginning	(117,415,807)
Unappropriated Retained Earnings, as adjusted, beginning	3,057,508,261
Net income actually earned/realized during the period:	
Net income during the period closed to retained earnings	5,199,843,531
Less: Non actual/unrealized income net of tax	—
Equity in net income of associate/joint venture	—
Unrealized actuarial gain	—
Fair value adjustment (M2M gains)	—
Fair value adjustment of Investment Property resulting to gain	—
Adjustment due to deviation from PFRS/GAAP - gain	—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—
Deferred tax asset that reduced the amount of income tax expense	6,002,162
Add: Non-actual losses	
Depreciation on revaluation increment (after tax)	—
Adjustment due to deviation from PFRS/GAAP - loss	—
Loss on fair value adjustment of investment property (after tax)	—
Unrealized foreign exchange loss - net (except those attributable to cash and cash equivalents)	—
Net income actually earned during the period	5,205,845,693
Add (Less):	
Dividend declarations during the period	(1,245,000,000)
Appropriations of retained earnings during the period	—
Reversals of appropriations	—
Effects of change in accounting policy	—
Treasury shares	—
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND DECLARATION	₱7,018,353,954

INDEPENDENT AUDITOR'S REPORT COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
DMCI Project Developers, Inc.
DMCI Homes Corporate Center
1321 Apolinario St., Bangkal
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of DMCI Project Developers, Inc. and its subsidiaries (the Group) as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated February 24, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs), as modified by the application of financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the SEC, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued approved by the SEC, as described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Dhonabee B. Señeres

Partner

CPA Certificate No. 97133

Tax Identification No. 201-959-816

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 97133-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-098-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8854369, January 3, 2022, Makati City

February 24, 2022



DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS****FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

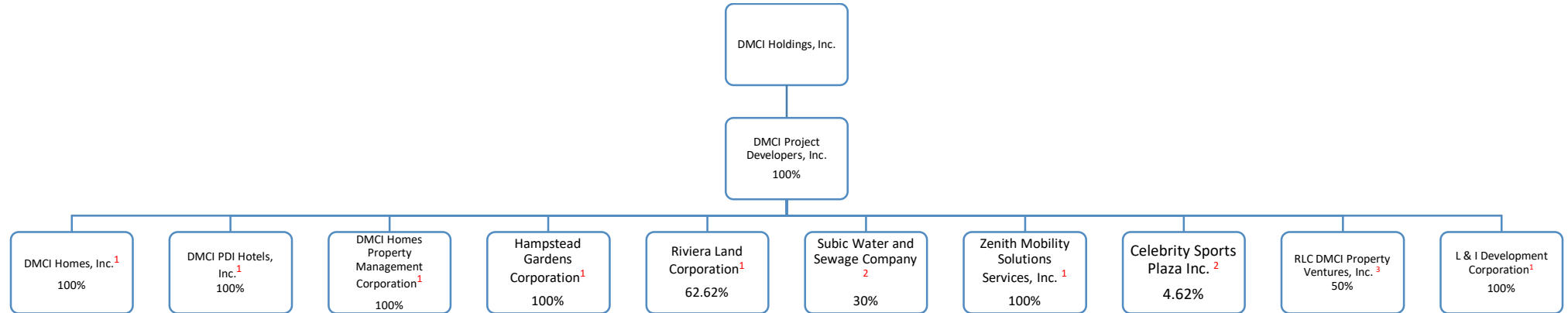
Ratio	Formula	2021	2020
Current ratio	Current assets/Current liabilities	3.17:1	3.34:1
Acid test ratio	Quick assets/Current liabilities	0.97:1	1.04:1
Solvency ratio	Net income plus Depreciation / Total liabilities	0.10:1	0.04:1
Debt-to-equity ratio	Total interest-bearing debt/Total stockholders' equity	2.01:1	2.28:1
Asset-to-equity ratio	Total assets/Total stockholders' equity	3.01:1	3.28:1
Interest coverage ratio	EBIT/Interest expense on loans	3.84:1	1.18:1
Return on equity	Net income attributable to equity holders/Average total stockholders' equity	20.66%	6.11%
Return on assets	Net income /Average total assets	6.57%	1.92%
Net profit margin	Net income /Revenue	21.05%	8.65%

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES

MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

Group Structure

Below is a map showing the relationship between and among the Group as of December 31, 2021:



¹ Subsidiary

² Associate

³ Joint Venture

*CSN Properties, Inc. (45%) and Contech Products South (33%) which are both associates of Parent Company are provided with allowance for impairment loss.

DMCI Project Developers, Inc.
and Subsidiaries

Interim Consolidated Financial Statements
March 31, 2022 and December 31, 2021 and
Three Months Ended March 31, 2022 and 2021

COVER SHEET

for
INTERIM FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	5	-	0	0	4	1	3	7
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COMPANY NAME

D	M	C	I		P	R	O	J	E	C	T		D	E	V	E	L	O	P	E	R	S	,		I	N	C	.	
A	N	D			S	U	B	S	I	D	I	A	R	I	E	S													

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

D	M	C	I		H	o	m	e	s		C	o	r	p	o	r	a	t	e		C	e	n	t	e	r	,		1	
3	2	1			A	p	o	l	i	n	a	r	i	o		S	t	r	e	e	t	,		B	a	n	g	k	a	l

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

	N	A
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COMPANY INFORMATION

Company's Email Address <div style="border: 1px solid black; padding: 5px; text-align: center;">N/A</div>	Company's Telephone Number <div style="border: 1px solid black; padding: 5px; text-align: center;">555-7777</div>	Mobile Number <div style="border: 1px solid black; padding: 5px; text-align: center;">N/A</div>
No. of Stockholders <div style="border: 1px solid black; padding: 5px; text-align: center;">13</div>	Annual Meeting (Month / Day) <div style="border: 1px solid black; padding: 5px; text-align: center;">May 6</div>	Fiscal Year (Month / Day) <div style="border: 1px solid black; padding: 5px; text-align: center;">December 31</div>

CONTACT PERSON INFORMATION

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

Name of Contact Person <div style="border: 1px solid black; padding: 5px;">Evangeline H. Atchioco</div>	Email Address <div style="border: 1px solid black; padding: 5px;">enhernandez@dmcihomes.com</div>	Telephone Number/s <div style="border: 1px solid black; padding: 5px;">555-7777</div>	Mobile Number <div style="border: 1px solid black; padding: 5px;">N/A</div>
------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------

CONTACT PERSON'S ADDRESS

DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, Makati City

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

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended March 31, 2022
2. SEC Identification No. AS095-004137
3. BIR Tax Identification No. 004-659-091-000
4. Exact name of issuer as specified in its charter: DMCI PROJECT DEVELOPERS, INC.
5. PHILIPPINES
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, Makati City 1233
Address of issuer's principal office Postal Code
8. (02) 555-7777
Issuer's telephone number, including area code
9. NOT APPLICABLE
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA
Title of each Class Number of shares of common stock outstanding
and amount of debt outstanding
Deferred Coupon-Paying Homesaver Bonds P1.0 Billion with an initial offer of P500 million
and the other P500 million under shelf registration
covered under SEC MSRD Order No. 54
11. Are any or all of the securities listed on a Stock Exchange?
Yes [] No [x]
If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

12. Indicate by check mark whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
Yes [x] No []
 - (b) has been subject to such filing requirements for the past ninety (90) days.
Yes [x] No []

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

The Interim Unaudited Condensed Consolidated Financial Statements for the period ended March 31, 2022 are included herein.

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

THREE (3) MONTHS PERIOD ENDED MARCH 31, 2022 v. MARCH 31, 2021

I. Results of Operations

The Company's net income fell by 9% from ₱1,596 million for the first quarter of 2021 to ₱1,445 million in 2022. Revenues declined by 13% from ₱6.87 billion to ₱5.95 billion mainly due to higher sales cancellations this year and lower revenue recognized from new qualified accounts based on down payment collected. Consequently, gross profit improved from 31% to 33% owing to higher selling prices of projects that qualified for sales recognition and tighter cost management.

Operating expenses increased by 23% from ₱550 million to ₱675 million due to higher taxes & licenses, sales incentives and software licenses and cloud storage expenses.

Other Income climbed to ₱569 million, a 26% increase from last year ₱452 million due to higher income from forfeitures from cancelled accounts

Sales reservations in the first three months rebounded by 35% from ₱6.03 billion to ₱8.13 billion. Sold parking units trended higher than residential units at 35% from 653 to 881 while residential units recovered by 28% from 893 to 1,145. Average selling price (ASP) of units sold rose by 4% from ₱112,000 to ₱117,000 per square meter. On a per unit basis, it improved by 5% from ₱6.21 million to ₱6.52 million.

The company launched one project this 1st quarter of 2022 in Quezon City, The Erin Heights has 1,614 residential units, with projected total sales revenue of ₱12.24 billion.

II. Financial Position

The Company's total assets increased by 2% from ₱82.05 billion to ₱83.73 billion due to 5% increase in receivables and 2% increase in inventories.

Total liabilities increased from ₱54.81 billion to ₱55.45 billion brought about by additional loan availed this quarter.

III. Performance Indicators

Financial Data	March 2022	March 2021
Gross Revenues	₱5.95 billion	₱6.87 billion
EBIT	1.86 billion	2.06 billion
EBITDA	1.97 billion	2.19 billion
Net Income	1.45 billion	1.60 billion
Earnings per share	0.414	0.458
Current ratio	3.53:1	3.34:1
Debt-to-equity ratio	1.96:1	2.20:1
Asset-to equity ratio	2.96:1	3.20:1
Return on Assets	1.74%	2.07%
Return on Equity	5.22%	6.74%
Solvency Ratio	0.03:1	0.03:1
Interest Coverage Ratio	4.49:1	6.05:1
Debt Service Coverage Ratio	0.60:1	0.76:1

The manner by which the Company calculates the foregoing indicators is as follows:

Current Ratio means the Issuer's current assets divided by the current liabilities as reflected in the Issuer's latest unaudited financial statements ending March 31. This ratio is used as a test of the Company's liquidity.

Debt to Equity Ratio means the ratio of the Issuer's total liabilities to its total stockholders' equity, as reflected in the latest unaudited financial statements ending March 31. The ratio reveals the proportion of liability and equity the Company is using to finance its business. It also measures a Company's borrowing capacity.

Asset to Equity Ratio means the ratio of the Issuer's total assets to its total stockholders' equity, as reflected in the latest unaudited financial statements ending March 31. The ratio reveals the proportion of an entity's assets that has been funded by shareholders. It is an indicator of the Company's leverage used to finance the firm.

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

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

Earnings per Share means the portion of the Company's profit allocated to each outstanding share of common stock. Earnings per Share serves as an indicator of the Company's profitability.

Solvency Ratio means the ratio obtained by dividing the Company's net income and depreciation and amortization by its total liabilities. It measures the Company's ability to meet its short-term and long-term obligations.

Interest Coverage Ratio means the ratio calculated by dividing the Company's earnings before interest and taxes by interest expense. This ratio determines the Company's ability to pay interest on its outstanding debt.

Debt Service Coverage Ratio means the ratio obtained by dividing the earnings before interest and taxes (net operating income) by the total debt service costs which includes payment of loans and interest expense. This ratio measures the Company's ability to maintain its current debt levels.


PART II--OTHER INFORMATION


1. The Company's operation is a continuous process. It is not dependent on any cycle or season.
2. Economic and infrastructure developments in the country may affect construction business; Interest rate movements may affect the performance of the real estate industry.
3. COVID-19 Pandemic
The COVID-19 containment measures and emergency powers declared by the Philippine government have resulted in work disruptions, lower demand and the extension on payment due dates in real estate industry. The pandemic imposes an impact on sales due to the potential decline in confidence of buyers to commit to large purchases such as residential units as well as a possible decline in sales to foreign investors.
We are unable to determine at this time the full effect of the COVID-19 pandemic on our consolidated financial position, performance and cash flows given the country's gradual transition to the new normal. We will continue to monitor, assess and adapt to the situation as it stabilizes.
4. There were no undisclosed material subsequent events and transferring of assets not in the normal course of business that have not been disclosed for the period that the company have knowledge of.
5. There are no material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation has been disclosed in the notes to financial statements.
6. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
7. Any known trends or any known demands, commitments, events or uncertainties that will result in or that will have a material impact on the registrant's liquidity. – None
8. The Group does not have any offering of rights, granting of stock options and corresponding plans therefore.
9. All necessary disclosures were made under SEC Form 17-C.

SIGNATURES

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

Issuer DMCI Project Developers, Inc.

Signature and Title  **Evangelina H. Atchioco**
VP - Finance

Signature and Title  **Sarah Kae L. Gonzales**
Senior Accounting Manager

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31	December 31
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 26)	₱3,917,940,449	₱4,472,228,172
Receivables (Notes 5 and 26)	2,789,984,919	4,664,793,333
Current portion of contract assets (Note 6)	14,664,117,000	10,865,845,025
Real estate inventories (Note 7)	42,051,534,375	41,236,261,016
Other current assets (Notes 8 and 26)	3,808,994,937	3,774,156,707
Total Current Assets	67,232,571,680	65,013,284,253
Noncurrent Assets		
Contract assets - net of current portion (Note 6)	11,865,329,468	12,455,643,184
Investments in associates and joint venture (Note 9)	1,009,737,065	993,629,035
Investment properties (Note 10)	92,202,523	95,664,846
Software cost (Note 11)	6,452,730	12,613,406
Property and equipment (Note 12)	1,704,901,605	1,751,848,377
Deferred tax assets	3,522,067	3,522,067
Other noncurrent assets (Notes 8, 13 and 26)	1,814,767,995	1,719,493,662
Total Noncurrent Assets	16,496,913,453	17,032,414,577
	₱83,729,485,133	₱82,045,698,830
LIABILITIES AND EQUITY		
Current Liabilities		
Current portion of loans payable (Notes 14 and 26)	₱5,349,051,068	₱5,710,180,522
Accounts and other payables (Notes 16 and 26)	6,380,937,180	6,321,028,057
Customers' advances and deposits (Note 17)	3,894,808,560	4,356,686,876
Current portion of contract liabilities (Note 17)	2,545,263,933	3,549,504,260
Payables to related parties (Notes 24 and 26)	-	-
Current portion of liabilities for purchased land (Notes 15 and 26)	889,543,584	601,817,432
Income tax payable	884,030	415,010
Total Current Liabilities	19,060,488,355	20,539,632,157
Noncurrent Liabilities		
Contract liabilities – net of current portion (Note 17)	1,500,986,590	1,261,595,621
Loans payable – net of current portion (Notes 14 and 26)	28,381,491,847	26,924,411,129
Liabilities for purchased land – net of current portion (Notes 15 and 26)	951,610,815	969,552,190
Net pension liability	150,613,212	150,613,212
Deferred tax liabilities – net (Note 23)	4,249,297,033	3,885,584,976
Other noncurrent liability (Notes 16 and 26)	1,155,139,838	1,079,558,646
Total Noncurrent Liabilities	36,389,139,335	34,271,315,774
Total Liabilities	55,449,627,690	54,810,947,931

(Forward)

	March 31	December 31
	2022	2021
Equity (Note 18)		
Attributable to equity holders of the Parent Company		
Capital stock	₱3,487,727,331	₱3,487,727,331
Additional paid-in capital	15,260,664	15,260,664
Appropriated retained earnings	19,243,082,800	15,977,900,000
Unappropriated retained earnings	5,283,538,021	7,503,636,759
Remeasurement gain on defined benefit plans – net of tax	168,743,907	168,743,907
	28,198,352,723	27,153,268,661
Non-controlling interest in consolidated subsidiaries	81,504,720	81,482,238
Total Equity	28,279,857,443	27,234,750,899
	₱83,729,485,133	₱82,045,698,830

See accompanying Notes to Consolidated Financial Statements.

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended March 31	
	2022	2021
REVENUE		
Real estate sales	₱5,765,678,005	₱6,768,000,323
Contractor's revenue	102,247,076	29,925,682
Hotel services	1,821,715	(67,576)
Property management services	57,895,878	51,543,042
Elevator and maintenance services	20,987,932	23,216,676
	5,948,630,606	6,872,618,147
COSTS		
Real estate sales (Notes 7 and 12)	3,846,746,056	4,653,637,120
Cost of contractor's revenue	93,962,572	27,500,973
Hotel services (Note 12)	1,301,964	817,361
Property management services	25,082,306	23,297,234
Elevator and maintenance services	15,984,738	13,221,961
	3,983,077,636	4,718,474,649
GROSS PROFIT	1,965,552,970	2,154,143,498
GENERAL AND ADMINISTRATIVE EXPENSES (Note 21)	674,976,545	550,181,624
OPERATING INCOME	1,290,576,425	1,603,961,874
OTHER INCOME (EXPENSE)		
Finance income (Notes 4, 5 and 19)	79,742,783	89,367,138
Finance costs (Note 22)	(16,564,061)	(17,070,935)
Equity in net earnings of associates (Note 9)	25,242,704	10,106,616
Other income (Note 20)	543,371,940	442,094,545
	631,793,366	524,497,364
INCOME BEFORE INCOME TAX	1,922,369,791	2,128,459,238
PROVISION FOR INCOME TAX (Note 23)	477,263,247	531,998,860
NET INCOME	₱1,445,106,544	₱1,596,460,378
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	₱1,445,084,062	₱1,596,457,076
Non-controlling interests	22,482	3,302
	₱1,445,106,544	₱1,596,460,378
BASIC/DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		
	₱0.414	₱0.458

See accompanying Notes to Consolidated Financial Statements.

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended March 31	
	2022	2021
NET INCOME	₱1,445,106,544	₱1,596,460,378
OTHER COMPREHENSIVE INCOME		
<i>Item that will not be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement gain (loss) on defined benefit plans	-	-
Income tax effect	-	-
TOTAL COMPREHENSIVE INCOME	₱1,445,106,544	₱1,596,460,378
TOTAL COMPREHENSIVE INCOME		
ATTRIBUTABLE TO:		
Equity holders of the Parent Company	₱1,445,084,062	₱1,596,457,076
Non-controlling interests	22,482	3,302
	₱1,445,106,544	₱1,596,460,378

See accompanying Notes to Consolidated Financial Statements.

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended March 31, 2022

	Attributable to Equity Holders of the Parent Company					Total	Non-controlling Interest	Total Equity
	Capital Stock (Note 18)	Additional Paid-in Capital (Note 18)	Remeasurement Gain on Defined Benefit Plans	Retained Earnings				
				Unappropriated (Note 18)	Appropriated (Note 18)			
Balances as at January 1, 2022	₱3,487,727,331	₱15,260,664	₱168,743,907	₱7,503,636,759	₱15,977,900,000	₱27,153,268,661	₱81,482,238	₱27,234,750,899
Net income (loss)	–	–	–	1,445,084,062	–	1,445,084,062	22,482	1,445,106,544
Other comprehensive loss	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	1,445,084,062	–	1,445,084,062	22,482	1,445,106,544
Appropriation for project development (Note 18)	–	–	–	(14,597,000,000)	14,597,000,000	–	–	–
Reversal of appropriation	–	–	–	11,331,817,200	(11,331,817,200)	–	–	–
Restatement due to CREATE bill	–	–	–	–	–	–	–	–
Dividends declared (Note 18)	–	–	–	(400,000,000)	–	(400,000,000)	–	(400,000,000)
Balances as at March 31, 2022	₱3,487,727,331	₱15,260,664	₱168,743,907	₱5,283,538,021	₱19,243,082,800	₱28,198,352,723	₱81,504,720	₱28,279,857,443

For the year ended December 31, 2021

	Attributable to Equity Holders of the Parent Company					Total	Non-controlling Interest	Total Equity
	Capital Stock (Note 18)	Additional Paid-in Capital (Note 18)	Remeasurement Gain on Defined Benefit Plans	Retained Earnings				
				Unappropriated (Note 18)	Appropriated (Note 18)			
Balances as at January 1, 2021	₱3,487,727,331	₱15,260,664	₱31,056,153	₱3,559,563,679	₱15,977,900,000	₱23,071,507,827	₱81,413,258	₱23,152,921,085
Net income	–	–	–	5,189,073,080	–	5,189,073,080	68,980	5,189,142,060
Other comprehensive loss	–	–	137,687,754	–	–	137,687,754	–	137,687,754
Total comprehensive income	–	–	137,687,754	5,189,073,080	–	5,326,760,834	68,980	5,326,829,814
Dividends declared (Note 20)	–	–	–	(1,245,000,000)	–	(1,245,000,000)	–	(1,245,000,000)
Balances as at December 31, 2021	₱3,487,727,331	₱15,260,664	₱168,743,907	₱7,503,636,759	₱15,977,900,000	₱27,153,268,661	₱81,482,238	₱27,234,750,899

For the year ended March 31, 2021

	Attributable to Equity Holders of the Parent Company					Total	Non-controlling Interest	Total Equity
	Capital Stock (Note 18)	Additional Paid-in Capital (Note 18)	Remeasurement Gain on Defined Benefit Plans	Retained Earnings				
				Unappropriated (Note 18)	Appropriated (Note 18)			
Balances as at January 1, 2021	₱3,487,727,331	₱15,260,664	₱31,056,153	₱3,559,563,679	₱15,977,900,000	₱23,071,507,827	₱81,413,258	₱23,152,921,085
Net income	–	–	–	1,596,457,076	–	1,596,457,076	3,302	1,596,460,378
Other comprehensive loss	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	1,596,457,076	–	1,596,457,076	3,302	1,596,460,378

Appropriation for project development (Note 18)	-	-	-	-	-	-	-	-	-
Reversal of appropriation (Note 18)	-	-	-	55,943,524	-	55,943,524	-	55,943,524	-
Dividends declared (Note 18)	-	-	-	(400,000,000)	-	(400,000,000)	-	(400,000,000)	-
Balances as at March 31, 2021	<u>₱3,487,727,331</u>	<u>₱15,260,664</u>	<u>₱31,056,153</u>	<u>₱4,811,964,279</u>	<u>₱15,977,900,000</u>	<u>₱24,323,908,427</u>	<u>₱81,416,560</u>	<u>₱24,405,324,987</u>	

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	₱1,922,369,791	₱2,128,459,238
Adjustments for:		
Depreciation and amortization (Notes 10, 11, 12 and 21)	130,940,107	132,185,506
Finance costs (Note 22)	15,976,155	16,985,104
Unrealized foreign exchange gain	(2,560)	(4,621)
Equity in net earnings of associates (Note 9)	(16,108,029)	(6,615,176)
Finance income (Notes 4, 5 and 19)	(79,742,783)	(89,367,138)
Gain on sale of undeveloped parcel of land	–	(12,431,642)
Gain on sale of property and equipment	(4,143,226)	–
Operating income (loss) before changes in working capital	1,969,289,455	2,169,211,271
Decrease (increase) in:		
Receivables and contract assets (Note 5)	(1,327,857,376)	(3,251,125,705)
Real estate inventories (Note 7)	(23,212,523)	840,550,780
Other current assets (Note 8)	(34,838,230)	(146,823,964)
Increase (decrease) in:		
Accounts and other payables (Note 16)	(5,431,812)	394,697,330
Liabilities for purchased land (Notes 15 and 26)	269,784,775	(182,322,325)
Net pension asset/liability	–	–
Contract liabilities and customers' advances and deposits (Note 17)	(1,226,727,673)	(341,368,690)
Payables to related parties	–	(55,697,402)
Net cash generated from (used in) operations	(378,993,384)	(572,878,705)
Interest received	79,742,783	89,367,138
Income tax paid (Note 23)	(476,794,227)	(211,974,693)
Interest paid and capitalized as cost of inventory	(397,483,464)	(322,864,767)
Net cash used in operating activities	(1,173,528,292)	(1,018,351,027)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend from an associate	–	–
Proceeds from disposals of:		
Property and equipment	19,087,857	–
Undeveloped land	–	28,458,000
Share in investments in associate	–	–
Additions to:		
Investment properties (Note 10)	–	–
Software cost (Note 11)	(1,011,723)	(12,519,781)
Investments in associates (Note 9)	–	–
Property and equipment (Note 12)	(93,595,715)	(66,006,596)
Net decrease (increase) in other noncurrent assets (Note 13)	(95,274,332)	46,128,005
Net cash provided by (used in) investing activities	(170,793,913)	(3,940,372)

(Forward)

	Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans (Note 14)	₱3,771,500,000	₱3,534,818,907
Payments of loans (Note 14)	(2,680,880,172)	(2,377,293,290)
Dividends paid (Note 18)	(300,000,000)	(700,000,000)
Interest paid	(587,906)	(3,357,978)
Net cash provided by financing activities	790,031,922	454,167,639
EFFECT OF CHANGE IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		
	2,560	4,621
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(554,287,723)	(568,119,139)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
	4,472,228,172	4,766,268,217
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)		
	₱3,917,940,449	₱4,198,149,078

See accompanying Notes to Consolidated Financial Statements.

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

DMCI Project Developers, Inc. (the Parent Company) was incorporated and domiciled in the Republic of the Philippines and registered with the Securities and Exchange Commission (SEC) on April 27, 1995. The Parent Company is organized to deal and engage in the development of residential subdivisions and construction of condominium and housing units. The Parent Company offers range of products from middle-income to high-end housing and condominium projects.

The Parent Company is majority-owned by DMCI Holdings, Inc. (DMCI-HI), its ultimate parent company, partially-owned by D.M. Consunji, Inc. (also a subsidiary of DMCI-HI), and the rest by its directors and officers.

The Parent Company has six (6) wholly owned subsidiaries namely: Hampstead Gardens Corporation, DMCI Homes, Inc., DMCI Homes Property Management Corporation, DMCI-PDI Hotels, Inc., Zenith Mobility Solutions Services, Inc., and L & I Development Corporation and one (1) majority owned subsidiary: Riviera Land Corporation.

On July 14, 2020, the Parent Company purchased 49% of the outstanding shares of ZMSSI. Consequently, the direct ownership percentage of the Parent Company over ZMSSI increased from 51% to 100%. These transactions were eliminated at the consolidated financial statements.

On September 18, 2020, the Parent Company entered into a Share Purchase Agreement to purchase the total outstanding shares or 418,300 common shares of L & I Development Corporation (LIDC), a domestic corporation. On October 1, 2020, the shareholders of LIDC and the Parent Company entered into a deed of assignment of shares to acquire 100% voting shares of LIDC for a total consideration of ₱624.35 million. The primary purpose of LIDC is to engage and deal with the real estate, construction and leasing. The acquisition of LIDC was accounted for as an asset acquisition (see Notes 3 and 9).

The Parent Company's registered office and principal place of business is at DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, Makati City.

2. Basis of Preparation

The accompanying unaudited condensed consolidated financial statements of the Group have been prepared using the historical cost basis. The unaudited condensed consolidated financial statements are presented in Philippine Peso (₱), which is also the Parent Company's functional and presentation currency. All amounts are rounded off to the nearest Peso unless otherwise indicated.

The accompanying unaudited condensed consolidated financial statements have been prepared under the going concern assumption.

Statement of Compliance

The condensed consolidated financial statements of the Group have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs as issued and approved by SEC in response to COVID-19 pandemic.

Through the Parent Company, the Group has availed of the relief granted by the SEC under Memorandum Circular (MC) No. 34-2020 which further extended the deferral of PIC Q&A 2018-12-D (assessment if the transaction price includes a significant financing component) until December 31, 2023.

The Group has also availed of the relief granted by SEC under MC No. 34-2020 deferring the adoption of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, Borrowing Cost (the IFRIC Agenda Decision on Borrowing Cost) until December 31, 2023.

SEC MC No. 34-2020 deferring the adoption of the exclusion of land in the calculation of percentage of completion is not applicable to the Group as it is already complying with the requirements of the provisions of the Philippine Interpretations Committee Q&A No. 2018-12.

Basis of Consolidation

The unaudited condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of March 31, 2022 and December 31, 2021, and for the three months ended March 31, 2022 and 2021.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the interim unaudited condensed consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and,
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

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

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

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any noncontrolling-interests and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The interim unaudited condensed consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (which are all incorporated and domiciled in the Philippines). The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

Subsidiaries	Percentage of ownership		
	2021	2020	2019
DMCI Homes Property Management Corporation (DPMC)	100.00	100.00	100.00
DMCI-PDI Hotels, Inc. (DPHI)	100.00	100.00	100.00
Zenith Mobility Services Solutions, Inc. (ZMSSI)*	100.00	51.00	51.00
L & I Development Corporation (LIDC)	100.00	100.00	—
Riviera Land Corporation (RLC)	62.62	62.62	62.62

**The direct ownership percentage of the Parent Company over ZMSSI increased from 51% to 100% due to purchase of 49% of the outstanding shares of ZMSSI.*

All of Parent Company's subsidiaries have started commercial operations. The related principal activity of these subsidiaries is summarized below:

- a) RLC – real estate developer
- b) LIDC – real estate developer
- c) DPMC – property management
- d) DPHI – hotel operator
- e) ZMSSI – mobility services provider of the Group

Non-controlling Interests

Non-controlling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group.

Non-controlling interests are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from parent shareholder's equity. Any losses applicable to the non-controlling interests are allocated against the interests of the non-controlling interest even if this results to the non-controlling interest having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the non-controlling interest is recognized in equity of the parent in transactions where the non-controlling interest are acquired or sold without loss of control.

3. Changes in Accounting Policies

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the following new accounting pronouncements which became effective January 1, 2022.

- *Amendments to PFRS 3, Reference to the Conceptual Framework*

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

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

- *Amendments to PAS 16, Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

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

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

- *Amendments to PAS 37, Onerous Contracts – Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

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

- *Annual Improvements to PFRSs 2018-2020 Cycle*

- *Amendments to PFRS 1, First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

- Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

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

Effective beginning on or after January 1, 2023

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

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2024

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

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

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

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

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

The Group is currently assessing the impact of adopting these amendments.

4. Cash and Cash Equivalents

This account consists of:

	March 31, 2022	December 31, 2021	March 31, 2021
Cash on hand and in banks	₱3,041,071,538	₱3,677,234,022	₱1,936,285,952
Cash equivalents	876,868,911	794,994,150	2,261,863,126
	₱3,917,940,449	₱4,472,228,172	₱4,198,149,078

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months, depending on the immediate cash requirements of the Group, and earn interest at the prevailing short-term investment rates.

Interest income earned on bank deposits and cash equivalents amounted to ₱2.30 million and ₱3.26 million for the three months ended March 31, 2022 and 2021, respectively (see Note 19).

5. Receivables

This account consists of:

	March 31, 2022	December 31, 2021
Trade		
Installment contracts receivable	₱1,146,151,607	₱2,776,999,872
Receivables from buyers	697,368,816	743,120,459
Property management services	143,116,323	164,102,443
Contracts receivable (Note 24)	–	180,638,449
Elevator and maintenance	14,308,714	18,726,616
Hotel operations	1,795,507	2,476,034
Receivables from:		
Condominium corporations	344,780,329	409,727,085
Rental	129,335,613	76,392,799
Employees	35,948,024	34,537,220
Related parties (Note 24)	142,960,169	120,475,770
Others	177,928,098	181,304,867
	2,833,693,200	4,708,501,614
Less allowance for expected credit losses	43,708,281	43,708,281
	₱2,789,984,919	₱4,664,793,333

Installment contracts receivable

Installment contracts receivable consists of accounts collectible in equal monthly principal installments with various terms up to a maximum of 10 years. These are recognized at amortized cost using the effective interest method with an annual interest rates ranging from 9.00% to 19.00%. The corresponding titles to the residential units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. Installment contracts receivable are collateralized by the related property sold. The Group records any excess of progress of work over the right to an amount of consideration that is unconditional as contract assets (see Note 6). Interest income from installment contracts receivable amounted to ₱77.44 million and ₱86.11 million in 2022 and 2021, respectively (see Note 19).

The Group retains the assigned receivables in the “Installment contracts receivable” account and records the proceeds from these sales as loans payable. The carrying value of installment contracts receivable sold on a with recourse basis and the corresponding outstanding loan obligation amounted to ₱1,257.15 million and ₱2,441.03 million as of March 31, 2022 and December 31, 2021, respectively (see Note 14).

Receivables from buyers

Receivable from buyers pertain to advances for real estate taxes, deposits and other chargeable expenses to buyers which are normally collectible within one (1) year.

Receivables from property management services

Receivables from property management services arise from reimbursable and management fees charged to various condominium corporations and homeowners association for the administration and management of condominiums for the benefit of the unit owners and the occupants. These are collectible from various condominium corporations within one (1) year.

Receivables from hotel operations

Receivables from hotel operations pertain to unpaid customer billings for charges from room accommodations, sale of food and beverage, and transportation services.

Receivables from elevator and maintenance services

Receivables from elevator and maintenance services refers to outstanding billings for services rendered arising from maintenance of elevators. This account is noninterest-bearing and generally collectible within one (1) year.

Receivable from condominium corporations

Receivables from condominium corporations are due and demandable.

Receivable from rental

Receivables from rental arising from lease of investment properties are due and demandable.

Receivable from employees

Receivables from employees pertain to salary and other loans granted to the Group's employees that are collectible through salary deduction, are noninterest-bearing and has various maturity dates and advances for liquidation to be used for operations.

Others

Others include advances to brokers which are expected to be collected within one (1) year.

6. Contract Assets

This account consists of:

	March 31, 2022	December 31, 2021
Current portion	₱14,664,117,000	₱10,865,845,025
Noncurrent portion	11,865,329,468	12,455,643,184
	₱26,529,446,468	₱23,321,488,209

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. These are initially recognized for revenue earned from property under development rendered but not yet to be billed to customers. Upon billing of invoice, the amounts recognized as contract assets are reclassified as installment contracts receivable.

The movement in contract assets is mainly due to new real estate sales recognized during the period, increase in percentage of completion of projects, less reclassification of installment contracts receivable.

7. Real Estate Inventories

This account consists of:

	March 31, 2022	December 31, 2021
Condominium units and subdivision land for sale	₱24,719,610,539	₱23,236,211,508
Land - at cost	17,331,923,836	18,000,049,508
	₱42,051,534,375	₱41,236,261,016

Real estate inventories are carried at cost which is lower than their respective net recoverable value.

Borrowing costs capitalized on March 31, 2022, December 31, 2021 and March 31, 2021 amounted to ₱397.48 million, ₱1,407.90 million and ₱322.86 million, respectively. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization on March 31, 2022, December 31, 2021 and March 31, 2021 are 4.80%, 4.60% and 4.55%, respectively (see Note 14).

No provision for impairment and reversal were recognized in March 31, 2022 and December 31, 2021. There are no real estate inventories used as collateral or pledged as security to secure liabilities.

8. Other Current Assets

This account consists of:

	March 31, 2022	December 31, 2021
Advances to contractors and suppliers	₱1,749,378,953	₱1,555,363,590
Cost to obtain a contract - current portion	896,569,238	1,168,965,160
Deposit in escrow fund	379,655,874	340,623,169
Prepaid expenses	99,045,583	93,182,214
Creditable withholding tax	448,469,167	385,053,159
Input VAT - net	5,293,380	4,506,418
Others	230,582,742	226,462,997
	₱3,808,994,937	₱3,774,156,707

Advances to contractors and suppliers

Advances to contractors and suppliers are advance payments in relation to the Group's project development (part of real estate inventories).

Cost to obtain a contract

Following the adoption of PFRS 15 starting January 1, 2018, the Group recognized as an asset the costs to obtain a contract with customer. These pertain to commissions paid to brokers and marketing agents on the sale of real estate units.

Amortization of capitalized commission and advance commissions which are expensed as incurred totaling to ₱321.67 million and ₱359.88 million are presented under "Costs of real estate sales"

account in the interim unaudited condensed consolidated statements of income for the three months ended March 31, 2022 and 2021 respectively.

Deposit in escrow fund

Deposit in escrow fund pertains to fund deposits for securing license to sell (LTS) of the Group's real estate projects.

Creditable withholding tax

Creditable withholding tax is attributable to taxes withheld by third parties arising from the real estate sales and will be applied against future taxes payable. The amounts as of March 31, 2022 and December 31, 2021 represent the residual after application as credit against income tax payable.

Prepaid expenses

Prepaid expenses consist mainly of prepayments for taxes and insurance.

Input VAT

Input VAT represents taxes imposed to the Group by its suppliers and contractors for the acquisition of goods and services required under Philippine taxation laws and regulations. Input VAT is applied against output VAT.

Others

Others include deposits for escrow funds and various types of advances which will be recovered within one (1) year.

9. Investments in Associates and Joint Venture

The details of the Group's investments in associates and joint venture are as follow:

	March 31, 2022						Total
	CSN	Subic Water	Acotec	CSPI	RDPVI	DMC EDVI	
Acquisition cost							
Balance at beginning and end of year	P1,752,265	P27,467,400	P4,485,715	P16,900,000	P500,000,000	P125,000,000	P675,605,380
Additions	-	-	-	-	-	-	-
Balance at end of year	1,752,265	27,467,400	4,485,715	16,900,000	500,000,000	125,000,000	675,605,380
Accumulated equity in net earnings:							
Balance at beginning of year	-	350,689,475	-	(838,589)	(25,589,251)	-	324,261,635
Equity in net earnings (losses)	-	17,645,169	-	537,499	7,060,037	-	25,242,705
Dividends	-	-	-	-	-	-	-
Elimination of revenue	-	-	-	-	(9,134,675)	-	(9,134,675)
Balance at end of year	-	368,334,644	-	(301,090)	(27,663,889)	-	340,369,665
Subtotal	1,752,265	395,802,044	4,485,715	16,598,910	472,336,111	125,000,000	1,015,975,045
Allowance for impairment loss	(1,752,265)	-	(4,485,715)	-	-	-	(6,237,980)
	P-	P395,802,044	P-	P16,598,910	P472,336,111	P125,000,000	P1,009,737,065

	December 31, 2021						Total
	CSN	Subic Water	Acotec	CSPI	RDPVI	DMC EDVI	
Acquisition cost							
Balance at beginning and end of year	P1,752,265	P27,467,400	P4,485,715	P16,900,000	P500,000,000	-	P- P550,605,380
Additions	-	-	-	-	-	125,000,000	125,000,000
Balance at end of year	1,752,265	27,467,400	4,485,715	16,900,000	500,000,000	125,000,000	675,605,380
Accumulated equity in net earnings:							

December 31, 2021							
	CSN	Subic Water	Acotec	CSPI	RDPVI	DMC EDVI	Total
Balance at beginning of year	-	367,408,381	-	(173,395)	(20,463,496)	-	346,771,490
Equity in net earnings (losses)	-	28,281,094	-	(665,194)	17,862,708	-	45,478,608
Dividends	-	(45,000,000)	-	-	-	-	(45,000,000)
Elimination of revenue	-	-	-	-	(22,988,463)	-	(22,988,463)
Balance at end of year	-	350,689,475	-	(838,589)	(25,589,251)	-	324,261,635
Subtotal	1,752,265	378,156,875	4,485,715	16,061,411	474,410,749	125,000,000	999,867,015
Allowance for impairment loss	(1,752,265)	-	(4,485,715)	-	-	-	(6,237,980)
	₱-	₱378,156,875	₱-	₱16,061,411	₱474,410,749	₱125,000,000	₱999,867,015

The details of the Group's acquisition of investments in associates and the corresponding percentages of ownership follow:

	March 31, 2022		December 31, 2021	
	Percentages of Ownership	Acquisition Cost	Percentages of Ownership	Acquisition Cost
Associates:				
Subic Water and Sewerage Company (Subic Water)	30.00%	₱27,467,400	30.00%	₱27,467,400
CSPI	4.62%	16,900,000	4.62%	16,900,000
Contech Products South (Acotec)	33.00%	4,485,715	33.00%	4,485,715
CSN Properties, Inc. (CSN)	45.00%	1,752,265	45.00%	1,752,265
		50,605,380		50,605,380
Joint venture:				
RLC DMCI Property Ventures, Inc. (RDPVI)	50.00%	₱500,000,000	50.00%	₱500,000,000
DMC Estate Development Ventures Inc (DMC EDVI)	50.00%	125,000,000	50.00%	125,000,000
		625,000,000		625,000,000
Total investment		675,605,380		675,605,380
Less allowance for impairment losses		(6,237,980)		(6,237,980)
		₱669,367,400		₱669,367,400

CSPI

In 2015, the Group made investments to CSPI amounting ₱13.40 million.

In 2016, the Group disposed two (2) shares of CSPI with par value of ₱100,000 per share at ₱0.14 million and ₱0.12 million. The Parent Company acquired additional 37 shares of CSPI with par value of ₱100,000 per share at ₱3.70 million. These transactions resulted to increase of percentage of ownership in the associate to 4.62% in 2016 from 3.94% in 2015. No additional acquisition or disposal was made subsequent to 2016.

Subic Water

On January 22, 1997, the Group subscribed to 3,662,320 shares for an aggregate value of ₱36.62 million in Subic Water, a then joint venture company with Subic Bay Metropolitan Authority (a government-owned corporation), Olongapo City Water District and Cascal Services Limited (a company organized under the laws of England). The agreement executed by the parties on November 24, 1996 stipulated, among others, that the Group shall have an equity participation equivalent to 40% in Subic Water amounting ₱74.80 million (based on the initial subscribed and paid-up capital of ₱187.00 million). The balance of the Group's committed subscription to Subic Water of ₱38.00 million (net of additional subscription payment of ₱4.00 million in 1998) is expected to be paid on or before the second anniversary of the date of effectivity. As of March 31, 2022 and December 31, 2021, such committed subscription has not yet been paid.

On April 1, 2016, the Group disposed its 915,580 shares of Subic Water with par value of ₱10.00 per share at ₱190.70 million, net of capital gains tax of ₱20.14 million, with a gain on sale of

₱181.28 million. This resulted to decrease in Parent Company's percentage of ownership in the associate to 30%. In 2020, dividends received from Subic Water amounted to ₱36.00 million.

CSN and Acotec

In previous years, allowance for impairment losses was provided for the Group's investments in CSN and Acotec amounting ₱1.75 million and ₱4.49 million, respectively.

RDPVI

In October 2018, the Group and Robinsons Land Corporation (RLC) entered into a joint venture agreement to develop a condominium project. Each party will hold a 50% ownership interest in the joint venture.

In March 2019, RDPVI, the joint venture entity, was incorporated to purchase, acquire and develop into a residential condominium project a portion of the parcels of land situated in Las Piñas City and to operate, manage, sell and/or lease the resulting condominium units and parking spaces therein. The Group contributed ₱500.00 million for the capital of RDPVI.

The following table summarizes the significant financial information on the Group's investments in associates and joint venture that are material to the Group:

	March 31, 2022				
	Subic Water	CSPI	RDPVI	DMC EDVI	Total
Assets					
Current assets	₱772,041,455	₱93,964,644	₱3,293,791,316	₱250,000,000	₱4,409,797,415
Noncurrent assets	1,308,434,824	1,378,916,776	153,211,452	-	2,840,563,052
	₱2,080,476,279	1,472,881,420	₱3,447,002,768	₱250,000,000	₱7,250,360,467
Liabilities					
Current liabilities	₱158,716,334	₱44,930,526	₱242,187,119	₱-	₱445,833,979
Noncurrent liabilities	497,832,132	385,874,924	2,175,390,117	-	3,059,097,173
	₱656,548,466	₱430,805,450	₱2,417,577,236	₱-	₱3,504,931,152
Equity	₱1,423,927,813	₱1,042,075,970	₱1,029,425,532	₱250,000,000	₱3,745,429,315
Revenue	₱178,512,219	₱-	₱106,710,670	₱-	₱285,222,889
Net income	₱18,336,326	₱-	₱14,120,074	₱-	₱32,456,400

	December 31, 2021				
	Subic Water	CSPI	RDPVI	DMC EDVI	Total
Assets					
Current assets	₱492,719,271	₱93,964,644	₱2,899,480,538	₱250,000,000	₱3,736,164,453
Noncurrent assets	1,323,436,683	1,378,916,776	88,497,428	-	2,790,850,887
	₱1,816,155,954	1,472,881,420	₱2,987,977,966	₱250,000,000	₱6,527,015,340
Liabilities					
Current liabilities	₱200,566,388	₱44,930,526	₱340,010,589	₱-	₱585,507,503
Noncurrent liabilities	209,998,079	385,874,924	1,632,661,918	-	2,228,534,921
	₱410,564,467	₱430,805,450	₱1,972,672,507	₱-	₱2,814,042,424
Equity	₱1,405,591,487	₱1,042,075,970	₱1,015,305,459	₱250,000,000	₱3,712,972,916
Revenue	₱727,720,701	₱74,244,408	₱213,305,570	₱-	₱1,015,270,679
Net income (loss)	₱94,270,314	(₱14,398,128)	₱35,725,416	₱-	₱115,597,602

The reconciliation of the net assets to the carrying amounts of the interests in associates and joint venture are recognized in the consolidated financial statements as follows:

	March 31, 2022				
	Subic Water	CSPI	RDPVI	DMC EDVI	Total
Net assets of associates and joint venture	₱1,423,927,813	₱1,042,075,970	₱1,029,425,532	₱250,000,000	₱3,745,429,315

Proportionate ownership in the associates and joint venture	30.00%	4.62%	50.00%	50.00%	
Share in net identifiable assets of common control	427,178,344	48,143,910	514,712,766	125,000,000	1,115,035,020
Notional goodwill and other adjustments	(31,376,300)	(31,545,000)	(42,376,655)	–	(105,297,955)
Carrying value of investments	₱395,802,044	₱16,598,910	₱472,336,111	₱125,000,000	₱1,009,737,065

	December 31, 2021				Total
	Subic Water	CSPI	RDPVI	DMC EDVI	
Net assets of associates and joint venture	₱1,405,591,487	₱1,042,075,970	₱1,015,305,459	₱250,000,000	₱3,712,972,916
Proportionate ownership in the associates and joint venture	30.00%	4.62%	50.00%	50.00%	
Share in net identifiable assets of common control	421,677,446	48,143,910	507,652,730	125,000,000	1,102,474,086
Notional goodwill and other adjustments	(43,520,571)	(32,082,499)	(33,241,981)	–	(108,845,051)
Carrying value of investments	₱378,156,875	₱16,061,411	₱474,410,749	₱125,000,000	₱993,629,035

10. Investment Properties

The rollforward analysis on this account follows:

	March 31, 2022	December 31, 2021
Cost		
At January 1	₱215,338,009	₱215,084,207
Additions	–	253,802
At March 31/December 31	215,338,009	215,338,009
Accumulated Amortization		
At January 1	119,673,163	105,977,861
Amortization (Note 23)	3,462,323	13,695,302
At March 31/December 31	123,135,486	119,673,163
Net Book Value	₱92,202,523	₱95,664,846

Investment properties mostly consist of condominium units and office space held for rental.

There are no investment properties as of March 31, 2022 and December 31, 2021 that are pledged as security to liabilities. The Group has no restrictions on the realizability of its investment properties and no contractual obligations to either purchase or construct or develop investment properties or for repairs, maintenance and enhancements.

11. Software Cost

The rollforward analysis on this account follows:

	March 31, 2022	December 31, 2021
Cost		
At January 1	₱371,400,487	₱385,631,142
Additions	1,011,723	2,922,128
Reclassification	–	(17,152,783)
At March 31/December 31	372,412,210	371,400,487
Accumulated Amortization		
At January 1	358,787,081	319,070,796
Amortization (Note 23)	7,172,399	39,716,285
At March 31/December 31	365,959,480	358,787,081
Net Book Value	₱6,452,730	₱12,613,406

12. Property and Equipment

The rollforward analysis of this account follows:

	March 31, 2022					Total
	Land, building and building improvements	Office machines and equipment	Office furniture and fixtures	Transportation equipment	Construction machinery and equipment	
Cost						
Balance at beginning of year	₱1,135,102,740	₱361,040,502	₱119,980,884	₱268,991,641	₱3,170,093,828	₱5,055,209,595
Additions	4,379,987	11,293,508	955,211	998,214	75,968,794	93,595,714
Reclassification/Disposal	(5,292,470)	–	–	–	(23,596,786)	(28,889,256)
Balance at end of year	1,134,190,257	372,334,010	120,936,095	269,989,855	3,222,465,836	5,119,916,053
Accumulated Depreciation						
Balance at beginning of year	343,539,500	313,061,888	119,244,010	246,376,240	2,281,139,580	3,303,361,218
Depreciation (Notes 9 and 23)	8,479,834	8,910,857	236,181	4,622,375	98,056,138	120,305,385
Disposal	–	–	–	–	(8,652,155)	(8,652,155)
Balance at end of year	352,019,334	321,972,745	119,480,191	250,998,615	2,370,543,563	3,415,014,448
Net Book Value	₱782,170,923	₱50,361,265	₱1,455,904	₱18,991,240	₱851,922,273	₱1,704,901,605
December 31, 2021						
	Land, building and building improvements	Office machines and equipment	Office furniture and fixtures	Transportation equipment	Construction machinery and equipment	Total
Cost						
Balance at beginning of year	₱984,182,202	₱341,048,026	₱119,837,317	₱265,671,892	₱3,029,958,134	₱4,740,697,571
Additions	10,785,939	19,992,476	143,567	3,319,749	140,135,694	174,377,425
Reclassification from real estate inventories (Note 9)	140,134,599	–	–	–	–	140,134,599
Balance at end of year	1,135,102,740	361,040,502	119,980,884	268,991,641	3,170,093,828	5,055,209,595
Accumulated Depreciation						
Balance at beginning of year	313,259,724	277,378,012	118,060,934	224,844,140	1,889,221,577	2,822,764,387
Depreciation (Notes 9 and 23)	30,279,776	35,683,876	1,183,076	21,532,100	391,918,003	480,596,831
Balance at end of year	343,539,500	313,061,888	119,244,010	246,376,240	2,281,139,580	3,303,361,218
Net Book Value	₱791,563,240	₱47,978,614	₱736,874	₱22,615,401	₱888,954,248	₱1,751,848,377

Depreciation expense included under general and administrative expenses amounted to ₱21.13 million and ₱19.45 million for the three months ended March 31, 2022 and 2021, respectively (see Note 21).

Depreciation and amortization expenses attributable to direct costs for hotel services rendered for the three months period ended March 31, 2022 and 2021 amounted to ₱0.17 million and ₱0.20 million, respectively.

Depreciation expense attributable to direct costs for real estate sales amounted to ₱80.43 million and ₱101.74 million in March 31, 2022 and March 31, 2021, respectively.

There are no property and equipment items that are pledged as security to liabilities as of March 31, 2022 and December 31, 2021.

13. Other Noncurrent Assets

This account consists of:

	March 31, 2022	December 31, 2021
Cost to obtain a contract – net of current portion (Note 10)	₱1,388,630,034	₱1,322,901,729
Recoverable deposits (Note 31)	310,532,277	299,786,950
Contract retention (Note 27)	115,605,684	96,804,983
	₱1,814,767,995	₱1,719,493,662

Recoverable deposits pertain to bill and guaranty deposits for the installation of utilities to residential condominium units, and houses and lots to be covered upon transfer of title to buyers. Such deposits are necessary for the development of real estate projects of the Group.

Contract retention pertains to the part of contract which the Group retains as security and shall be released after the period as indicated in the contract for the rectification of defects and non-compliance from the specifications indicated.

14. Loans Payable

This account consists of:

	March 31, 2022	December 31, 2021
Term loans and corporate notes	₱32,473,388,183	₱30,193,556,747
Liabilities on installment contracts receivable sold to banks with recourse (Note 7)	1,257,154,732	2,441,034,904
HomeSaver Bonds	–	–
	33,730,542,915	32,634,591,651
Less current portion of bank loans	5,349,051,068	5,710,180,522
	₱28,381,491,847	₱26,924,411,129

The current portion of bank loans consists of:

	March 31, 2022	December 31, 2021
Term loans and corporate notes	₱4,105,228,711	₱3,285,600,022
Liabilities on installment contracts receivable	1,243,822,357	2,424,580,500
HomeSaver Bonds	–	–
	₱5,349,051,068	₱5,710,180,522

Term Loans and Corporate Notes

Movement of the term loans and corporate notes follows:

	March 31, 2022	December 31, 2021
Balance as of January 1	₱30,343,000,000	₱28,215,000,000
Availments	3,800,000,000	4,800,000,000
Payments	(1,497,000,000)	(2,672,000,000)
	32,646,000,000	30,343,000,000
Less: unamortized debt issue cost	172,611,817	149,443,253
Balance as of March 31/December 31	32,473,388,183	30,193,556,747
Less: current portion	4,105,228,711	3,285,600,022
	₱28,368,159,472	₱26,907,956,725

Philippine Peso 7-year and 5-year Term Loans due in 2027 and 2025, respectively.

In 2020, the Group entered into two (2) term loan facilities with Bank of the Philippine Islands and BDO Unibank, Inc totaling to ₱8,200.00 million, of which ₱5,200.00 million was drawn during the year. The proceeds from the loan shall be used to fund the capital expenditures such as acquisition of land and other general corporate expenditures in relation to the construction of ongoing projects.

Term Loan	Quarter from Issue Date	Total
1st Term Loan	8th to 28th Quarter Final	10.00% (.50% per quarter)
	Maturity	90.00%
2nd Term Loan	1st to 20th Quarter Final	19% (1.00% per quarter) 81%
	Maturity	

Philippine Peso 7.5-Year Term Loans due in 2026

In 2019, the Group entered into three (3) term loan facilities with local banks totaling to ₱16,000.00 million, of which ₱9,000.00 million was availed in 2019 and ₱5,700.00 million in 2020. The proceeds from the loan shall be used to fund the capital expenditures such as acquisition of land and other general corporate expenditures in relation to the construction of ongoing projects.

Term Loan	Quarter from Issue Date	Total
1st Term Loan	10th to 29th Quarter	10.00% (.50% per quarter)
	Final Maturity	90.00%
2nd Term Loan	10th to 29th Quarter	10.00% (.50% per quarter)
	Final Maturity	90.00%
3rd Term Loan	11th to 29th Quarter	9.50% (.50% per quarter)
	Final Maturity	90.50%

Philippine Peso 5-Year and 7-Year Corporate Notes due in 2020 to 2024

In December 2015, the Group signed a corporate notes facility agreement on the issuance of Peso-denominated notes in the aggregate principal amount of ₱10,000.00 million with local banks.

Proceeds of the note facility were used to fund its acquisition of real estate properties, fund its project development costs, refinance its existing indebtedness and fund other general corporate expenditures.

The notes will be issued in six (6) tranches and payments shall be made in each tranche as follows:

Series	Quarter from Issue Date	Payment for Each Quarter;	
		Computed Based on Aggregate % of Issue	Total
Series F	4 th to 19 th Quarter	0.5%	(8% + 92%)
	Final Maturity	92.0%	100%
Series H	4 th to 19 th Quarter	0.5%	(8% + 92%)
	Final Maturity	92.0%	100%
Series J	4 th to 19 th Quarter	0.5%	(8% + 92%)
	Final Maturity	92.0%	100%
Series G	4 th to 27 th Quarter	0.5%	(12% + 88%)
	Final Maturity	88.0%	100%
Series I	4 th to 27 th Quarter	0.5%	(12% + 88%)
	Final Maturity	88.0%	100%
Series K	4 th to 27 th Quarter	0.5%	(12% + 88%)
	Final Maturity	88.0%	100%

Tranches 1 (Series F) and 2 (Series G) of the ₱10,000.00 million were issued on December 18, 2015 with principal amount of ₱1,000.00 million each. Tranches 3 (Series H) and 4 (Series I) were issued in January 2016 with principal amount of ₱2,500.00 million each. Tranches 5 (Series J) and 6 (Series K) were issued in February 2017 with principal amount of ₱1,500.00 million each.

In February 2017, Tranches 5 (Series J) and 6 (Series K) were issued in the aggregate principal amount of ₱1,500.00 million each.

In January 2016, Tranches 3 (Series H) and 4 (Series I) were issued in the aggregate principal amount of ₱2,500.00 million each. In December 2015, Tranches 1 (Series F) and 2 (Series G) of the ₱10,000.00 million were issued in the aggregate principal amount of ₱1,000.00 million each.

The carrying amount of the notes are as follows:

Series	2022	2021
Series D	₱-	₱-
Series E	-	-
Series F	-	-
Series G	888,829,843	893,501,629
Series H	-	-
Series I	2,233,548,571	2,245,748,714
Series J	-	1,379,350,322
Series K	1,366,594,233	1,373,643,601
	₱4,488,972,647	₱5,892,244,266

The note is issued in registered form in the minimum denominations of ₱75.00 million and multiples of ₱25.00 million each. The interest rate shall be the PDST-R2 rate for five (5)-year (Tranche 1) and seven (7)-year treasury securities on banking day immediately preceding an Issue Date plus the

Margin (150 basis points) for each of the Tranche, gross any applicable withholding taxes. Interest is payable quarterly.

Philippine Peso 7-year Corporate Notes due in 2020

In October 2012, the Group signed corporate notes facility agreement on the issuance of 7-year peso-denominated notes in the aggregate amount of ₱10,000.00 million with local banks. Proceeds of the notes facility were used to fund land acquisition, general operations and project development and construction.

The notes will be issued in three (3) tranches and payments shall be made in each tranche as follows:

Quarter from Issue Date	Based on aggregate % of issue amount of each Series (Equally divided over the applicable quarters)
7 th to 10 th Quarter	2%
11 th to 14 th Quarter	4%
15 th to 18 th Quarter	5%
19 th to 27 th Quarter	12%
Final Maturity	77%
Total	100%

Tranche 1 of the ₱10,000.00 million Series C was issued on October 31, 2012 in the aggregate amount principal amount of ₱1,000.00 million. The tranche was settled in full on October 31, 2019.

Tranche 2 (Series D) and 3 (Series E) were issued on April 10, 2013 and July 30, 2013 in the aggregate principal amount of ₱4,000.00 million and ₱5,000.00 million, respectively. The outstanding balance of Tranche 2 (Series D) and 3 (Series E) was settled in full on April 2020 and July 2020, respectively.

The note is issued in registered form in the minimum denominations of ₱100.00 million and multiples of ₱10.00 million each. The interest rate shall be the PDST-F rate for seven-year treasury securities on banking day immediately preceding an Issue Date plus the Margin (125 basis points) for each of the Tranche, gross any applicable withholding taxes. Interest is payable quarterly.

Debt Issue Costs

The rollforward analysis of unamortized debt issuance cost follows:

	March 31, 2022	December 31, 2021
Balance as of January 1	₱149,443,253	₱154,572,612
Availments	28,500,000	35,949,030
Amortization of debt issue cost (Note 25)	(5,331,436)	(41,078,389)
Balance as of December 31	₱172,611,817	₱149,443,253

Interest

In March 2022, March 2021 and December 2021, interest expense incurred amounted to ₱408.13 million, ₱335.10 million and ₱1,481.83 million, respectively, of which capitalized interest amounted to ₱397.48 million, ₱322.86 million, and ₱1,407.90 million, respectively (see Notes 3, 7 and 22). The average capitalization rates used are 4.80%, 4.55%, and 4.60% of the average expenditures in March 2022, March 2021 and December 2021, respectively.

Liabilities on Installment Contracts Receivable

Movement of the liabilities on installment contracts receivable notes follows:

	March 31, 2022	December 31, 2021
Balance as of January 1	₱2,441,034,904	₱55,652,870
Availments	–	5,189,040,590
Payments	(1,183,880,172)	(2,803,658,556)
Balance as of March 31/December 31	1,257,154,732	2,441,034,904
Less current portion	1,243,822,357	2,424,580,500
	₱13,332,375	₱16,454,404

As discussed in Note 5, the installment contracts receivable under the receivable purchase agreements are used as collaterals for the related loans availed. These amounted to ₱1,257.15 million and ₱2,441.03 million as of March 31, 2022 and December 31, 2021, respectively, and these represent net proceeds from sale of portion of Group's installment contracts receivable to local banks pursuant to the receivable purchase agreements entered into by Group on various dates. The agreements also provide the submission of condominium certificates of title and their related postdated checks issued by the buyers. These loans bear interest at prevailing market rates and are payable in equal and continuous monthly payment not exceeding 120 days commencing one (1) month from date of execution. The average effective annual interest rate ranges from 4.00% to 6.19% in 2022 and 2021.

Covenants for term loans and corporate notes

The term loans and corporate notes facility agreement require the Group to ensure that debt-to-equity ratio will not exceed 3.2 times and current ratio is at least 1.75 times. As of March 31, 2022 and December 31, 2021, the Group is fully compliant to these requirements (see Note 18).

As of March 31, 2022 and December 31, 2021, all term loans and corporate notes recognized are unsecured.

15. Liabilities for Purchased Land

Liabilities for purchase of land represent the balance of the Group's obligations to various real estate property sellers for the acquisition of certain parcels of land and residential condominium units. The terms of the deed of absolute sale covering the land acquisitions provided that such obligations are payable only after the following conditions, among others, have been complied with: (a) presentation by the property sellers of the original transfer certificates of title covering the purchased parcels of land; (b) submission of certificates of non-delinquency on real estate taxes; and (c) physical turnover of the acquired parcels of land to the Group.

The outstanding balance of liabilities for purchased land as of March 31, 2022 and December 31, 2021 are shown below:

	2022	2021
Current	₱889,543,584	₱601,817,432
Noncurrent	951,610,815	969,552,190
Balance at end of the year	₱1,841,154,399	₱1,571,369,622

16. Accounts and Other Payables

This account consists of:

	March 31, 2022	December 31, 2021
Accounts payable - trade	₱2,800,331,451	₱2,526,396,821
Commission payable	2,109,688,502	2,192,894,857
Accrued expenses	351,268,521	438,172,036
Dividends payable (Notes 20 and 27)	900,000,000	800,000,000
Retention payable	882,007,083	848,354,317
Accrued interest payable (Notes 16 and 33)	70,540,571	195,980,079
Refundable deposits	308,870,337	292,228,612
Others	113,370,553	106,559,982
	7,536,077,018	7,400,586,704
Less noncurrent portion of commission payable	1,155,139,838	1,079,558,646
	₱6,380,937,180	₱6,321,028,057

Commission payable pertains to the unpaid amount of the Group's payout to real estate sales agents for each contract that they obtain for the sale of real estate units. These are settled based on the collection from the contract with customers with various terms up to a maximum of 10 years. The noncurrent portion of commission payable is presented under "Other noncurrent liability" account in the consolidated statement of financial position.

Accounts payable - trade are mostly composed of payable to suppliers of materials, marketing supplies and services and brokers. It includes payable to contractors that pertains to unpaid progress billings for the construction and development of real estate projects and residential units. These are noninterest-bearing and are normally settled within one (1) year.

Accrued expenses pertain to VAT payable, SSS, Pag-IBIG, Philhealth, withholding tax payables and other expenses and are expected to be settled within one (1) year.

Dividends payable pertains to unpaid cash dividends to shareholders expected to be settled within one (1) year.

Retention payable consists of amounts withheld from every progress billing per subcontract agreement and is expected to be settled within one (1) year. The retention serves as a security from the contractor should there be defects in the project.

Refundable deposits consist of deposits which are refundable due to cancellation of real estate sales as well as deposits made by unit owners upon turnover of the unit which will be remitted to its utility provider.

Others include refundable amount for security deposits, construction bond of tenants and deferred charges. Security deposits are settled upon the end of the lease term. Construction bonds are settled upon the end of the construction of the unit. These are normally settled within one (1) year. Deferred charges pertain to deferred rentals and other deferrals which are chargeable within one (1) year amounting to ₱8.32 million and ₱5.86 million as of March 31, 2022 and December 31, 2021, respectively.

17. Customers' Advances and Deposits and Contract Liabilities

	March 31, 2022	December 31, 2021
Contract liabilities		
Current	₱2,545,263,933	₱3,549,504,260
Noncurrent	1,500,986,590	1,261,595,621
	4,046,250,523	4,811,099,881
Customers' advances and deposits	3,894,808,560	4,356,686,876
	₱7,941,059,083	₱9,167,786,757

Contract Liabilities

The Group requires buyers of the residential condominium units and houses and lots to pay a minimum percentage of the total selling price and the project should be beyond the preliminary stage before the Group recognize a sale transaction. Contract liabilities represent the payments of buyers which do not qualify yet for revenue recognition as real estate sales and any excess of collections over the recognized revenue on sale of real estate inventories. The movement in contract liabilities is mainly due to sales reservation and advance payment of buyers and this is reduced by increase in percentage of completion of projects and real estate sales recognized upon reaching the buyer's equity threshold.

Customers' Advances and Deposits

Other customers' advances and deposits represent collections from real estate buyers for taxes and fees payable such as documentary stamp tax and transfer tax for the transfer of title to the buyer.

18. Equity

Capital Stock

Details of the Parent Company's capital stocks as of March 31, 2022 and December 31, 2021 follow:

Common stock - ₱1 par value	
Authorized - 5,000,000,000 shares	₱5,000,000,000
Issued and outstanding - 3,487,727,331 shares	3,487,727,331
Additional paid-in capital	15,260,664

Retained Earnings

Movements in and outstanding appropriations of the Group for project development are as follows:

	March 31, 2022	December 31, 2021
Balance as of the beginning of the year	₱15,977,900,000	₱15,977,900,000
Additional appropriations (a)	14,597,000,000	-
Release from appropriations (a)	(11,331,817,200)	-
	₱19,243,082,800	₱15,977,900,000

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The management considers capital stock and retained earnings as core capital of the Group.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return of capital to shareholders or issue new shares.

As of March 31, 2022, 2021 and December 31, 2021, the Group had the following rates:

	March 31, 2022	March 31, 2021	December 31, 2021
Current Ratio	3.53:1	3.34:1	3.17:1
Debt to Equity Ratio	1.96:1	2.20:1	2.01:1
Asset to Equity Ratio	2.96:1	3.20:1	3.01:1

As at March 31, 2022 and December 31, 2021, the Group is not subject to externally imposed capital requirements other than the monitoring of the Group's debt to equity ratio and current ratio as a result of availment of long-term debt (see Note 14).

19. Finance Income

Finance income is derived from the following sources:

	March 31, 2022	March 31, 2021
Installment contracts receivable (Note 5)	₱77,441,852	₱86,108,627
Bank deposits and cash equivalents (Note 4)	2,300,931	3,258,511
	₱79,742,783	₱89,367,138

20. Other Income

This account consists of:

	March 31, 2022	March 31, 2021
Income from cancellation of real estate sales and other fees	₱349,709,690	₱210,868,859
Rental income	106,752,179	106,901,744
Penalty and other charges	50,750,127	32,130,010
Gain on sale of undeveloped land	–	12,431,642
Gain on sale of property and equipment	4,143,226	–
Management fees	850,170	1,352,359
Others	31,166,548	78,409,931
	₱543,371,940	₱442,094,545

Others include holding fees, restructuring fees, maintenance dues and utilities charged to tenants.

21. General and Administrative Expenses

This account consists of:

	March 31, 2022	March 31, 2021
Taxes and licenses	₱205,553,549	₱162,754,230
Salaries, wages and employee benefits	174,442,894	160,153,048
Marketing	66,160,026	31,070,369
Outside services	34,432,025	32,497,552
Repairs and maintenance	65,197,672	42,397,763
Depreciation and amortization (Notes 10, 11 and 12)	31,763,453	33,749,516
Association dues	21,240,166	13,996,541
Communication, light and water	21,529,115	16,161,088
Entertainment, amusement and recreation	20,150,783	16,885,715
Supplies	8,900,099	10,164,848
Professional fees	5,343,423	8,542,614
Transportation and travel	8,177,799	6,471,147
Management fees (Note 24)	-	-
Miscellaneous	12,085,541	15,337,193
	₱674,976,545	₱550,181,624

Miscellaneous include rental, insurance, supplies and other expenses.

22. Finance Costs

The finance costs are incurred from the following:

	March 31, 2022	March 31, 2021
Long-term bank loans (Note 14)	₱10,644,719	₱12,238,559
Accretion on unamortized discount on liabilities on purchased land and unamortized bank loans transaction cost (Note 14)	5,331,436	4,604,523
Bank charges	587,906	227,853
	₱16,564,061	₱17,070,935

23. Income Taxes

The provision for income tax shown in profit or loss consists of:

	March 31, 2022	March 31, 2021
Current	₱113,117,542	₱272,442,886
Deferred	363,712,057	258,904,310
Final	433,648	651,664
	₱477,263,247	₱531,998,860

Deferred tax assets are recognized only to the extent that taxable income will be against which the deferred tax assets can be used. The Group assesses the unrecognized deferred tax assets and will recognize previously unrecognized deferred tax assets to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

24. Related Party Transactions

Transactions between related parties are based on terms similar to those offered to nonrelated parties. Related party transactions are made under the normal course of business. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities (referred herein as entities under common control).

In the regular course of business, the Group's significant transactions with related parties, which are accounted for at market prices normally charged to unaffiliated customers for similar goods and services, consist primarily of the following:

- a. The Group has outstanding dividends payable to shareholders amounting to ₱900.00 million and ₱800.00 million as of March 31, 2022 and December 31, 2021, respectively (see Notes 16 and 18).
- b. The Group has outstanding balance from a condominium corporation for the advances made for association dues and utilities consumed by hotel rooms, common areas and concessionaires for its hotel operations. These are included as receivable from related parties under "Receivables" account in the consolidated statements of financial position.
- c. *Design and build agreement*

The Group entered into an agreement with its joint venture, RDPVI, for the design and construction of a residential condominium project. Terms of payment include 15% down payment and balance payable through monthly progress billings subject to retention and recoupment.

 - i. *Contractor's revenue and costs*

The Group recognized ₱102.25 million and ₱29.93 million contractor's revenue in March 2022 and 2021, respectively, which is based on the actual costs incurred over the total budgeted cost of the project. Related cost incurred amounted to ₱93.96 million and ₱27.50 million in March 2022 and 2021, respectively.
 - ii. *Billings in excess of cost and estimated earnings on uncompleted contracts*

The Group also recognized ₱115.75 million and ₱152.38 million billings in excess of costs and estimated earnings on uncompleted contracts as of March 31, 2022 and December 31, 2021, respectively, which is presented under "Contract liabilities". This represents billings in excess of total costs incurred and estimated earnings recognized (see Note 17).
 - iii. *Contract retention*

The Group recognized ₱115.61 million and ₱96.80 million contract retention as of March 31, 2022 and December 31, 2021, respectively, which pertains to the amount retained as security and shall be released after the period as indicated in the contract for the rectification of defects and non-compliance from the specifications indicated in the agreement (see Note 13).
 - iv. *Contracts receivable*

The Group recognized ₱180.64 million contracts receivable in December 31, 2021, which arises from the construction activities in relation to the joint venture with RDPVI. These receivables are based on progress billings provided to customers over the period of construction (see Note 5).

v. *Contract liabilities*

The Group recognized customers' advances and deposits amounting ₱576.49 million and ₱601.67 million as of March 31, 2022 and December 31, 2021, respectively, which represents the downpayment made by RDPVI. This is equivalent to the value of land and 15% of the contract amount less the first downpayment which is paid upon issuance of building permit (see Note 17).

Management and marketing services agreement

RDPVI has also engaged the services of the Group for the management and marketing of its project. Consideration for the management services is valued at 3% of the sum of net total contract price (NTCP) collected for each month while marketing services to provided is equivalent to 0.50% of real estate sales recorded each month.

RLC and the Group will also act as the exclusive selling arm of RDPVI for the sale of units and parking lots of the project wherein 1.5% of the NTCP of sold units will be payable to the party who sold the units, RLC or the Group.

In March 2022 and 2021, the Group earned management, marketing and service fees amounting to ₱0.85 million and ₱1.07 million, respectively.

d. *Socialized Housing Agreement with DMC Urban Property Developers, Inc.*

The Group entered into a socialized housing agreement with DMC Urban Property Developers, Inc. (UPDI), an accredited developer of socialized housing project by Department of Human Settlements and Urban Development (DHSUD) in order to obtain the required credits for the development of the condominium project. This was documented in a joint venture agreement in which profits will be shared on a 50:50 allocation basis. The Group finances the whole development and construction of the project while UPDI contributes the land and act as project manager of the project. The total project cost of the compliance project amounts to ₱458.78 million. As of March 31, 2022 and December 31, 2021, the advances recorded in the books under "Other current assets" amounted to ₱195.97 million (see Note 8).

e. *Receivable from related parties*

The following table summarizes the transactions with related parties in 2022 and 2021 and the outstanding receivable as of March 31, 2022 and December 31, 2021 recorded as receivable from related parties under "Receivables" (see Note 5):

March 31, 2022						
	Relationship	Transaction	Amount	Outstanding Balance	Terms	Conditions
DMCI Mining Corporation	Under common control	Construction and rent services	₱43,820	₱602,772	Noninterest-bearing; due and demandable	Unsecured, unimpaired
DMC Estate Ventures, Inc.	Under common control	Reimbursement of expenses	500	933,415	Noninterest-bearing; due and demandable	Unsecured, unimpaired
Taisei DMCI Joint Venture	Under common control Stockholder under common directors	Lease, backfill charges	24,008,982	–	Noninterest-bearing; due and demandable	Unsecured, unimpaired
D.M. Consunji		Trade Reimbursement of expenses and rent services	21,502,507	82,685,148	Noninterest-bearing; due and demandable	Unsecured, unimpaired
DMCI Urban Property Developers	Under common control	Reimbursement of expenses	1,359,172	54,868,231	Noninterest-bearing; due and demandable	Unsecured, unimpaired
Condo Corporation	Under common directors	Reimbursement of expenses	(421,599)	3,870,603	Noninterest-bearing; due and demandable	Unsecured, unimpaired
				₱142,960,169		
December 31, 2021						
	Relationship	Transaction	Amount	Outstanding Balance	Terms	Conditions
DMCI Mining Corporation	Under common control	Construction and rent services	(₱2,235,056)	₱558,952	Noninterest-bearing; due and demandable	Unsecured, unimpaired

DMC Estate Ventures, Inc.	Under common control	Reimbursement of expenses	–	932,915		Noninterest-bearing; due and demandable	Unsecured, unimpaired
Taisei DMCI Joint Venture	Under common control	Lease, backfill charges	213,395,302	–		Noninterest-bearing; due and demandable	Unsecured, unimpaired
D.M. Consunji	Stockholder under common directors	Trade	–	61,182,641		Noninterest-bearing; due and demandable	Unsecured, unimpaired
DMCI Urban Property Developers	Under common control	Reimbursement of expenses and rent services	43,933,370	53,509,060		Noninterest-bearing; due and demandable	Unsecured, unimpaired
Condo Corporation	Under common directors	Reimbursement of expenses	(480,994)	4,292,202		Noninterest-bearing; due and demandable	Unsecured, unimpaired
				P120,475,770			

Terms and conditions of transactions with related parties

There have been no guarantees provided or received for any related party receivables or payables.

These accounts are generally unsecured and due and demandable. The Group has not recognized any impairment losses on receivables from related parties for the three months ended March 31, 2022 and 2021. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

25. Segment Information

For management purposes, the Group's operating segments are organized and managed separately according to the nature of services offered, which comprises of three main groupings as follows:

Developer - focused in mid-income residential development of condominiums and subdivisions under DMCI Project Developers, Inc. and Hampstead Gardens Corporation.

Hotels - focused on hotel services of the DMCI Hotels, Inc. for the hotel operations of Alta Vista de Boracay.

Property Management - pertains to operations of DMCI Property Management Corporation which focuses on management and administrative services rendered to condominium corporations.

Others - operations of DMCI Homes, Inc., Riviera Land Corporation and Zenith Mobility Solutions Services, Inc. which focuses on management and advertising services.

The financial information about the operations of these business segments is summarized below:

	March 31, 2022					
	Developer	Hotels	Property Management	Others	Elimination	Consolidated
Assets						
Current assets	P66,414,029,585	P21,780,380	P303,145,733	P211,806,268	P281,809,714	P67,232,571,680
Noncurrent assets	16,918,826,439	50,611,667	8,841,134	4,093,620	(485,459,407)	16,496,913,453
Total Assets	P83,332,856,024	P72,392,047	P311,986,867	P215,899,888	(203,649,693)	P83,729,485,133
Liabilities						
Current liabilities	P19,192,417,668	P80,805,415	P133,990,072	P51,587,941	(P398,312,741)	P19,060,488,355
Noncurrent liabilities	36,358,667,048	–	30,472,287	–	–	36,389,139,335
Total Liabilities	P55,551,084,716	P80,805,415	P164,462,359	P51,587,940	(P398,312,741)	P55,449,627,690
Revenue	P5,970,172,158	P1,821,715	P57,895,878	P20,987,932	(P102,247,077)	P5,948,630,606
Direct cost	(4,034,671,199)	(1,301,964)	(25,082,306)	(15,984,738)	93,962,571	(3,983,077,636)
General and administrative expenses	(658,712,809)	(2,479,810)	(12,389,572)	(1,394,354)	–	(674,976,545)
Finance income - net	63,063,889	1,343	8,995	104,495	–	63,178,722
Other income	541,084,281	75,329	–	–	(850,170)	540,309,440
Dividend income	15,062,500	–	–	–	(12,000,000)	3,062,500
Equity in net earnings of associates	–	–	–	–	25,242,704	25,242,704
Income (loss) before tax	1,895,998,820	(1,883,387)	20,432,995	3,713,335	4,108,028	1,922,369,791
Provision for (benefit from) income tax	(471,163,406)	(268)	(5,176,465)	(923,108)	–	(477,263,247)
Net income	P1,424,835,414	(P1,883,655)	P15,256,530	P2,790,227	P4,108,028	P1,445,106,544

	December 31, 2021					
	Developer	Hotels	Property Management	Others	Elimination	Consolidated
Assets						
Current assets	P64,213,818,097	P18,229,154	P285,111,213	P209,684,749	P286,441,040	P65,013,284,253
Noncurrent assets	17,463,999,680	56,991,715	8,969,731	4,020,890	(501,567,439)	17,032,414,577
Total Assets	P81,677,817,777	P75,220,869	P294,080,944	P213,705,639	(215,126,399)	P82,045,698,830

December 31, 2021						
	Developer	Hotels	Property Management	Others	Elimination	Consolidated
Liabilities						
Current liabilities	P20,676,100,896	P81,750,581	P119,340,679	P52,183,923	(P389,743,922)	P20,539,632,157
Noncurrent liabilities	34,244,780,987	–	30,472,287	–	(3,937,500)	34,271,315,774
Total Liabilities	P54,920,881,883	P81,750,581	P149,812,966	P52,183,923	(P393,681,422)	P54,810,947,931
Revenue	P24,575,749,786	P1,966,118	P224,574,231	P91,588,651	(P236,889,300)	P24,656,989,486
Direct cost	(17,713,791,110)	(3,430,536)	(104,348,710)	(66,579,117)	217,695,495	(17,670,453,978)
General and administrative expenses	(2,323,117,874)	(15,829,282)	(69,907,562)	(4,825,803)	–	(2,413,680,521)
Finance income - net	222,937,995	6,252	47,684	464,493	–	223,456,424
Other income	1,242,392,772	222,016	–	53,766	(3,794,658)	1,238,873,896
Dividend income	58,000,000	–	–	–	(58,000,000)	–
Equity in net earnings of associates	–	–	–	–	45,478,609	45,478,609
Income (loss) before tax	6,062,171,569	(17,065,432)	50,365,643	20,701,990	(35,509,854)	6,080,663,916
Provision for (benefit from) income tax	(862,328,038)	(1,135)	(24,009,959)	(5,182,724)	–	(891,521,856)
Net income	P5,199,843,531	(P17,066,567)	P26,355,684	P15,519,266	(P35,509,854)	P5,189,142,060

The Group has no revenue from transactions with a single external customer totaling 10% or more of the Group's revenue.

26. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of financial asset at amortized cost, loans payable, liabilities for purchased land, accounts and other payables and payables to related parties.

The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarized below:

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities such as bank loans.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's financial instruments affected by market risk include loans payable and cash and cash equivalents.

a.) Interest rate risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's bank loans with floating interest rate.

The terms of the interest-bearing financial liabilities, together with its corresponding nominal amounts and carrying values are shown in the following table:

	2022		2021	
	Effective Interest Rate	Amount	Effective Interest Rate	Amount
Loans payable				
Term loans and corporate notes	2.09% to 6.33%	₱32,473,388,183	2.09% to 6.33%	₱30,193,556,747
Liabilities on installment contract receivables sold to banks	3.55% to 6.00%	1,257,154,731	3.55% to 6.00%	2,441,034,904
		₱33,730,542,914		₱32,634,591,651

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's exposure to credit risk arises from default of the counterparties which include certain financial institutions, real estate buyers and related parties. To manage credit risks, the Group maintains defined credit policies and monitors its exposure to credit risks on a continuous basis. The credit risk is concentrated to the following customers:

	2022	2021
Real estate buyers	94.25%	93.11%
Others	5.75%	6.89%
Total	100.00%	100.00%

In respect of installment contract receivables from the sale of real estate properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. An impairment analysis is performed at each reporting date using a vintage analysis to measure expected credit losses. The default rates are based on historical credit loss experience for groupings of various customer segments with similar loss patterns (i.e., by payment scheme and collateral type) and are adjusted with forward looking information. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g., grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Given this, based on the experience of the Group, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default (i.e., recovery rate is more than 100%). The Group evaluates the concentration of risk with respect to installment contract receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Cash and cash equivalents are placed in various banks. Material amounts are held by banks which belong to the top five (5) banks in the country. The rest are held by local banks that have good reputation and low probability of insolvency. These are considered to be low credit risk investments. The Group's maximum exposure to credit risk as of March 31, 2022 and December 31, 2021 is equal to the carrying values of its financial assets.

As of March 31, 2022 and December 31, 2021, the aging analyses per class of loan-related financial assets follow:

	2021						Impaired Financial Assets	Total
	Neither Past Due Nor Impaired	Past Due But Not Impaired						
		<30 days	30-60 days	61-90 days	>90 days			
Trade:								
Installment contracts receivable	P-	P64,718,306	P88,674,966	P388,158,293	P604,600,042	P-	P1,146,151,607	
Receivables from buyer	697,368,816	-	-	-	-	-	697,368,816	
Property management	-	12,345,300	9,201,630	7,060,875	87,178,945	27,329,573	143,116,323	
Contract receivables	-	-	-	-	-	-	-	
Elevator and maintenance	-	8,591,409	2,738,188	1,342,135	1,636,982	-	14,308,714	
Hotel operations	-	-	-	-	1,795,507	-	1,795,507	
Receivables from:								
Condo corporations	330,763,081	-	-	-	-	14,017,248	344,780,329	
Rental	129,335,613	-	-	-	-	-	129,335,613	
Employees	33,586,564	-	-	-	-	2,361,460	35,948,024	
Related parties	142,960,169	-	-	-	-	-	142,960,169	
Others	177,928,098	-	-	-	-	-	177,928,098	
	P1,511,942,341	P85,655,015	P100,614,784	P396,561,303	P695,211,476	P43,708,281	P2,833,693,200	

	December 31, 2021						Impaired Financial Assets	Total
	Neither Past Due Nor Impaired	Past Due But Not Impaired						
		<30 days	30-60 days	61-90 days	>90 days			
Trade:								
Installment contracts receivable	P-	P463,472,527	P1,050,162,247	P716,219,796	P547,145,302	P-	P2,776,999,872	
Receivables from buyer	743,120,459	-	-	-	-	-	743,120,459	
Property management	-	26,639,441	6,769,989	4,946,380	98,417,060	27,329,573	164,102,443	
Contract receivables	180,638,449	-	-	-	-	-	180,638,449	
Elevator and maintenance	-	10,740,556	4,336,230	608,022	3,041,808	-	18,726,616	
Hotel operations	-	-	-	-	2,476,034	-	2,476,034	
Receivables from:								
Condo corporations	395,709,837	-	-	-	-	14,017,248	409,727,085	
Rental	76,392,799	-	-	-	-	-	76,392,799	
Employees	32,175,760	-	-	-	-	2,361,460	34,537,220	
Related parties	120,475,770	-	-	-	-	-	120,475,770	
Others	181,304,867	-	-	-	-	-	181,304,867	
	P1,729,817,941	P500,852,524	P1,061,268,466	P721,774,199	P651,080,204	P43,708,281	P4,708,501,614	

The table below shows the credit quality of the Group's loan-related financial assets as of March 31, 2022 and December 31, 2021.

High Quality. This pertains to a counterparty who is not expected to default in settling its obligations, thus credit risk is minimal. This normally includes large prime financial institutions and companies.

Standard Quality. Other financial assets not belonging to the high quality category are included in this category.

	2022			2021		
	High Quality	Standard Quality	Total	High Quality	Standard Quality	Total
	Cash and cash equivalents*	P3,914,412,895	P-	P3,914,412,895	P4,468,700,616	P-
Trade:						
Installment contracts receivable	-	P1,146,151,607	1,146,151,607	-	2,776,999,872	2,776,999,872
Receivables from buyers	-	697,368,816	697,368,816	-	743,120,459	743,120,459
Property management	-	143,116,323	143,116,323	-	164,102,443	164,102,443
Contracts Receivable	-	-	-	-	180,638,449	180,638,449
Elevator and maintenance	-	14,308,714	14,308,714	-	18,726,616	18,726,616
Hotel operations	-	1,795,507	1,795,507	-	2,476,034	2,476,034
Receivables from:						
Condo corporations	-	344,780,329	344,780,329	-	409,727,085	409,727,085
Rental	-	129,335,613	129,335,613	-	76,392,799	76,392,799
Employees	-	35,948,024	35,948,024	-	34,537,220	34,537,220
Related parties	-	142,960,169	142,960,169	-	120,475,770	120,475,770
Others	-	177,928,098	177,928,098	-	181,304,867	181,304,867

Deposit in escrow fund	379,655,874	-	379,655,874	340,623,169	-	340,623,169
Recoverable deposits	310,532,277	-	310,532,277	299,786,949	-	299,786,949
Contract retention	-	115,605,684	115,605,684	-	96,804,983	96,804,983
	P4,604,601,046	P2,949,298,884	P7,553,899,930	P5,109,110,734	P4,805,306,597	P9,914,417,331

**Excludes cash on hand*