

COVER SHEET

SEC Registration Number

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Company Name

[illegible]

Principal Office (No./Street/Barangay/City/Town/Province)

[illegible]

COMPANY INFORMATION

Company's Email Address

ir@vistareit.com.ph

Company's Telephone Number/s

(02) 8994-4377

Company's Facsimile Number/s

CONTACT PERSON INFORMATION

Name of Contact Person

Melissa Camille Z. Domingo

Email Address

melissa_domingo@vistaland.com.ph

Telephone Number/s

0999 887 3219

Facsimile Number/s

FORM TYPE

1	7	-	A
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Department requiring report

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Secondary License Type, If Applicable

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(To be accomplished by SEC personnel)

File No.

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Document I.D.

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Remarks:

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STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2023**
2. SEC Identification Number **CS202006725**
3. BIR Tax Identification No. **010-510-144-000**
4. Exact name of issuer as specified in its charter **VISTAREIT, INC.**
5. **Philippines**
Province, Country or other jurisdiction of incorporation
6. Industry Classification Code (SEC Use Only)
7. **Lower Ground Floor, Building B, EVIA Lifestyle Center,**
Daanghari, Almanza Dos, Las Piñas City
Address of principal office **1750**
Postal Code
8. **(02) 8994-4377**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common stock	7,500,000,000 shares
11. Are any or all of these securities listed on a Stock Exchange?

Yes [☒]No [☐]

Name of Stock Exchange:
Class of securities listed:

Philippine Stock Exchange
Common Stocks
12. Check whether the issuer:
 - (a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code and SRC Rule 17.1 and Sections 25 and 177 of the Revised Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [☒]No [☐]
 - (b) has been subject to such filing requirements for the past ninety (90) days.

Yes [☒]No [☐]

13. Aggregate market value of voting stocks held by non-affiliates:

₹ 4.43 Billion as of December 31, 2023

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes ☐

No ☒ **NOT APPLICABLE**

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of SEC Form 17-A into which the document is incorporated:

Financial Statements as of and for the year ended December 31, 2023
(incorporated as reference for Items 7 and 12 of SEC Form 17-A)

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PART I – BUSINESS

Item 1. Business

Overview

VistaREIT, Inc. formerly “**Vista One, Inc.**” (the Company or VREIT) was incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on August 24, 2020, primarily to own, manage, operate and engage in the leasing of income-generating real properties such as office buildings, shopping centers, hotels, resorts, residential buildings, condominium buildings, among others and to hold for investment or otherwise, real estate of all kinds, including buildings, apartments and other structures, and to grant loans and/or assume or undertake or guarantee or secure, whether as solidary obligor, surety, guarantor or any other capacity either on its general credit or on the mortgage, pledge, deed of trust, assignment and/or other security arrangement of any or all of its property, the whole or any part of the liabilities and obligations of its parent company, subsidiaries or investee companies or affiliates, without engaging in the business of a financing company or lending investor.

On March 14, 2022, the SEC approved the increase in VREIT’s authorized capital stock from ₱2,000,000,000 divided into 2,000,000,000 shares with par value of ₱1.00 each to ₱15,000,000,000 divided into 15,000,000,000 shares with par value of ₱1.00 per share. Accordingly, the Company subsequently issued 7,500,000,000 common shares to its shareholders.

As of December 31, 2023, VREIT is owned by the following: (1) Masterpiece Asia Properties, Inc. (MAPI) (32.96%); (2) Vista Residences, Inc (VRI) (17.40%); (3) Manuela Corporation (MC) (5.92%); (4) Communities Pampanga, Inc. (CPI) (4.86%); and (5) Crown Asia Properties, Inc. (CAPI) (3.49%) and the rest by individual and public shareholders.

MC and MAPI are 99.85% and 100% owned subsidiaries, respectively, of Vistamalls, Inc. (VMI), a publicly listed holding company in the Philippine Stock Exchange (PSE). VMI is 88.34% owned by Vista Land & Lifescapes, Inc. (VLLI) and the rest by the public while VRI, CPI and CAPI are wholly owned subsidiaries by VLLI. VLLI is a publicly listed investment holding company which is 65.00% owned by Fine Properties, Inc. (the Ultimate Parent Company) and 35.00% owned by the public.

VREIT’s registered office and principal place of business is located at Lower Ground Floor, Building B, Evia Lifestyle Center, DaangHari, Almanza Dos, Las Piñas City.

Amendment of the Articles of Incorporation

On February 7, 2022, at least a majority of the Board of Directors (BOD) and the stockholders owning at least two-thirds (2/3) of the outstanding capital stock of VOI approved to increase the authorized capital stock of VOI to ₱15,000,000,000 divided into 15,000,000,000 shares with par value of ₱1.00 per share.

The increase in VREIT’s authorized capital stock from ₱2,000,000,000 divided into 2,000,000,000 shares of the par value of ₱1.00 per share to ₱15,000,000,000 pesos in lawful money of the Philippines, divided into 15,000,000,000 shares with the par value of ₱1.00 per share was approved by the SEC on March 14, 2022.

On March 16, 2022, at least a majority of the Board of Directors and the stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock of VREIT approved various amendments to the Articles of Incorporation of the VREIT including, among others, the following: (a) change in the corporate name to “VISTAREIT, INC.”; (b) change in primary purpose to engage in the business of a real estate investment trust under Republic Act No. 9856 (the REIT Law), including the Revised Implementing Rules and Regulations of the REIT Law; (c) requirement to have independent directors in the Board; and (d) other amendments in connection with the initial public offering of the VREIT as a REIT entity. Such amendments were filed with SEC and is still waiting for approval.

Execution of Property-for-Share Swap Agreement

On February 7, 2022, the Company also entered into various Deeds of Assignment and Subscription Agreements with each of Manuela Corporation (MC), Masterpiece Asia Properties, Inc. (MAPI), Vista Residences Inc. (VRI), Crown Asia Properties, Inc. (CAPI) and Communities Pampanga Inc. (CPI), collectively referred as the Sponsors, for the assignment, transfer, and conveyance by the Sponsors to the Company of 10 (ten) community malls, one (1) office building, and 10 commercial and office units with 214 parking slots, excluding the land wherein the malls, office building, and office units are situated, with an aggregate gross lease area of 256,403.95 sqm (collectively, the Assigned Properties) in exchange for the issuance by the Company to the Sponsors out of the increase in authorized capital stock described hereinabove of an aggregate of Six Billion Nine Hundred Ninety Million (6,990,000,000) common shares at an issue price of One Peso and Fifty Centavos (₱1.50) per share, or an aggregate issue or subscription price of Ten Billion Four Hundred Eighty Five Million Pesos (₱10,485,000,000) (the Property-for-Share Swap). The difference between the issue price and the par value of ₱3,495,000,000 is accounted for as additional paid-in capital (APIC).

Accordingly, the Assigned Properties have a total fair value of Thirty-Five Billion Nine Hundred Fifty-Two Million Nine Hundred Ninety-Two Thousand Seven Hundred Thirty Pesos (₱35,952,992,730). The difference between the said fair value of the Assigned Properties and the issue price thereof to the Company (i.e., the issue price of the shares issued to the Sponsors in the Property for Share Swap) amounting to Twenty-Five Billion Four Hundred Sixty-Seven Million Nine Hundred Ninety-Two Thousand Seven Hundred Thirty Pesos (₱25,467,992,730) is accounted for as APIC.

The above transactions resulted to a total APIC of Twenty-Eight Billion Nine Hundred Sixty-Two Million Nine Hundred Ninety-Two Thousand and Seven Hundred Thirty Pesos (₱28,962,992,730).

The Assigned Properties consists of Vista Mall Las Piñas (Main), Starmall Las Piñas (Annex), Starmall San Jose Del Monte (SJDM), Vista Mall Pampanga, SOMO - A Vista Mall, Vista Mall Antipolo, Vista Mall General Trias, Vista Mall Tanza, Starmall Talisay - Cebu, Vista Mall Imus, Vista Hub Molino and commercial and office units and parking lots in Vista Hub BGC.

The foregoing amendments to VREIT Articles of Incorporation and the Property-for-Share Swap were approved by the SEC on April 18, 2022.

On March 28, 2022, the Company filed its application with the Philippine Stock Exchange (PSE) for the listing of its 7,500,000,000 existing common shares, which includes the Secondary Offer Shares of 2,500,000,000 common shares with an Overallotment Option of up to 250,000,000 common shares to be offered and sold by the Sponsors to the public, under the Main Board of the PSE. The PSE approved the listing application of the Company on May 12, 2022.

Also on March 24, 2022, the Company filed a Registration Statement covering the registration of 7,500,000,000 existing common shares, in accordance with the requirements of the SEC's Securities Regulation Code. The Registration Statement was rendered effective on May 26, 2022.

Recent Developments

On June 15, 2022, the Company was listed as a REIT company under the Main Board of the PSE, and the Secondary Offer Shares of 2,500,000,000 common shares held by the Sponsors were sold to the public at a price of ₱1.75 per share.

Description of the Business of the Registrant and its Sponsors

The Company and its sponsors are incorporated in the Philippines. MAPI and MC are both in the commercial property development and operations.

Products

VistaREIT owns a portfolio of 10 community malls and two (2) office buildings with an aggregate GLA of 256,403.95 sqm. The Company's community malls are located in Las Piñas City, Bacoor City, General Trias City, Imus City, Municipality of Tanza, Antipolo City, City of San Jose Del Monte, San Fernando City, and Talisay City. The Company's office buildings are located in Taguig City and Bacoor City.


Distribution Methods of Products

The Company's Property Manager, VProperty Management, Inc., shall have the overall responsibility for the day-to-day facilities management of the Properties, marketing of the office and retail spaces therein, management of client accounts, lease administration, operations management, and handling of tenant relations. Specifically, the Property Manager will oversee negotiation and execution of lease contracts, enforcement of lease terms and conditions, and awarding, extension, and termination of leases; supervision of billing and collection of rentals and other payments from tenants, as well as monitoring of past due accounts and receivables; and, building management operations relating to security, utilities, repairs, and maintenance, emergency management, including engagement of contractors for such purpose.

The Company's Fund Manager, VFund Management, Inc., manages the assets and liabilities of the Company for the benefit of its Shareholders, with a focus on investment yields and profitability margins.

Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions and Royalty Agreements Held

The Company has the pending application for the registration of the following mark with the Philippine Intellectual Property Office ("IPO") the trademarks "VistaREIT".

Brand Name/Mark	Nice Classification No.	Registration Number	Application Serial Number	Filing Date	Registration Date	Expiration Date
 VistaREIT	Class 36: Real estate affairs; Leasing and rental of commercial premises	4/2022/0050 4727	420 225 047 27	February 28, 2022	August 12, 2023	August 12, 2033

Bankruptcy, Receivership or Similar Proceeding

As of December 31, 2023, there is no bankruptcy, receivership or similar proceedings involving the Company.

Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets (not ordinary) over the past three years

On February 7, 2022, the Company also entered into various Deeds of Assignment and Subscription Agreements with each of Manuela Corporation (MC), Masterpiece Asia Properties, Inc. (MAPI), Vista Residences Inc. (VRI), Crown Asia Properties, Inc. (CAPI) and Communities Pampanga Inc. (CPI), collectively referred as the Sponsors, for the assignment, transfer, and conveyance by the Sponsors to the Company of 10 (ten) community malls, one (1) office building, and 10 commercial and office units with 214 parking slots, excluding the land wherein the malls, office building, and office units are situated, with an aggregate gross lease area of 256,403.95 sqm (collectively, the Assigned Properties) in exchange for the issuance by the Company to the Sponsors out of the increase in authorized capital stock described hereinabove of an aggregate of Six Billion Nine Hundred Ninety Million (6,990,000,000) common shares at an issue price of One Peso and Fifty Centavos (₱1.50) per share, or an aggregate issue or subscription price of Ten Billion Four Hundred Eighty Five Million Pesos (₱10,485,000,000) (the Property-for-Share Swap). The difference between the issue price and the par value of ₱3,495,000,000 is accounted for as additional paid-in capital (APIC).

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The above transactions resulted to a total APIC of Twenty-Eight Billion Nine Hundred Sixty-Two Million Nine Hundred Ninety-Two Thousand and Seven Hundred Thirty Pesos (₱28,962,992,730).

Various diversification/ new product lines introduced by the Company during the last three years

As of December 31, 2023, there is no diversification/new product lines introduced by the Company during the last three years.

Competition

The Company believes that competition for mall space is primarily based on location, tenant mix and overall attractiveness of the property. For most of its Mall Properties, major competitors include SM Prime Holdings, Inc. and Robinsons Land Corporation.

Competition for office space is principally on the basis of location, quality and reliability of the project's design and equipment, reputation of the developer, supply of comparable space, changing needs of business users, and PEZA registration. The Company's primary competitors are Ayala Land, Inc. and its REIT Subsidiary, Megaworld Corporation and its REIT Subsidiary, Robinsons Land Corporation and its REIT Subsidiary, Filinvest Land Inc. and its REIT Subsidiary.

The Company competes on the basis of the strategic locations of its buildings, including their proximity to the existing communities and accessibility to public transportation. The Company is committed to providing an elevated customer experience and satisfaction by offering and maintaining mall and office projects of high quality and reliability, meeting the evolving needs of our customers.

Suppliers

Site development and construction work is contracted out to various qualified and accredited independent contractors. For larger projects, such as major repair or construction work, contracts are awarded on the basis of competitive bidding. For operational repairs and maintenance projects, we hire contractors without a competitive process based on our previous experience with the contractor. In all cases, our accreditation procedure takes into consideration each contractor's experience, financial capability, resources and track record of adhering to quality, cost and time of completion commitments. We maintain relationships with various accredited independent contractors and deal with each of them on an arm's length basis. We are not and do not expect to be dependent upon one or a limited number of suppliers or contractors.

Dependence on a Few Major Customers

The target customer segment of the commercial leasing business consists of broad C retail consumers. We believe that our shopping malls address the needs and aspirations of our target customers through our wide selection of retail outlets, supermarkets and department stores, together with other attractions, such as food courts, cinemas and other entertainment facilities. We attract local chains and franchises, to satisfy the preferences of our target customers.

The management team also took a proactive approach towards managing the tenant mix at its existing assets to ensure optimal alignment with the needs of its target market, including removing and replacing delinquent tenants with tenants that provide more suitable retail concepts and offerings and reorganizing mall layouts to address customers' needs as well as increasing the efficiency of available leasable area.

The remaining house and lot business is not dependent on repeat business from customers. MC has a marketing agreement with Crown Asia Properties, Inc., a subsidiary of VLL, which has a broad market base including local and foreign buyers.

Transactions with related parties

The Company, in its ordinary course of business, engage in significant commercial transactions with certain companies controlled by the Villar Family, including the Villar Family Companies and their respective subsidiaries. We have signed a memorandum of agreement with certain subsidiaries of Vista Land under which we have been granted a right of first refusal and right of first offer in respect of certain commercial properties by such VLL subsidiaries.

The Company's policy with respect to related party transactions is to ensure that these transactions are entered into on terms that are comparable to those available from unrelated third-parties.

Government approvals

The Company secures various government approvals such as license to sell, building and development permits, environmental compliance certificate, business permits, etc. as part of the normal course of its business.

The Company has no principal product that has pending government approval as of December 31, 2023.

Effect of Existing or Probable Governmental Regulations

By the nature of its business, the Company's subsidiaries are subject to governmental regulations on its land development and marketing activities, which includes, among others, zoning and environmental laws, development permit and license to sell regulations. The Company's subsidiaries comply with the said regulations in the regular conduct of its business operations.

As of December 31, 2023, the Company is not aware of any existing or probable governmental regulations that will have an effect on the Company's business operations.

Compliance with Environmental Laws

Prior to any land development activity, the Company secure the requisite environmental permits, including environmental compliance certificate and drainage permit for the sewage treatment plants, from the appropriate government agencies.

Costs and Effects of Compliance with Environmental Laws

The Company pay such amount as may be imposed by the appropriate government agencies for the procurement of all necessary environmental permits prior to commencement of any development project. The costs are generally minimal and vary from time to time.

Unless pertinent environmental laws are complied with, and requisite permits are secured, the Company cannot and do not proceed with its projects.

Research and Development Costs

Research and development activities, such as market research, training and contractor's development programs, are treated as normal operating expense. For 2023, the amount that the Company spent for research and development is minimal and does not constitute a significant percentage of the Company's revenues.

Employees

The executive officers of the Company are seconded from other companies in the Vista Land Group. The employees of the Property Manager are responsible for supervising, managing, leasing, operating and maintaining the Properties pursuant to the terms of the Property Management Agreement. The employees of the Fund Manager are responsible for implementing the Company's investment strategies and managing its assets. As such, the Company did not directly hire its own employees. In addition, certain administrative functions such as IT, legal and accounting support are provided by the Vista Land Group. The Company, the Property Manager, and the Fund Manager are in compliance with all minimum compensation and benefit

standards, as well as applicable labor and employment regulations. There is no existing labor union nor any collective bargaining agreement.

Risks related to the Companies Business

Each of the businesses of the Company would inevitably involve some risks factors such as:

- Competition;
- Socio-economic conditions of the country;
- Effect of the changes in global economy;
- Foreign exchange devaluation;
- Changes in the country's political and economic situation;
- Inflation of prices affecting the cost and expenses;
- Reforms in the applicable rules and regulations affecting the Philippine Real Estate industry; and
- Changes in Philippine and International interest rates, with respect to the Company's borrowings.

To mitigate the aforementioned risks, the Company shall continue to adopt prudence in financial management and discipline in the area of operational controls, policies and procedures. With respect to competitive pressures among the industry players, the Company shall continue to compete through project concept, quality, affordability, and location of projects.

Item 2. Properties

Details of the Company's properties as of December 31, 2023 are set out in the table below:

BUILDING AND IMPROVEMENTS

Location	Owner	Use
Las Piñas City	VREIT	Mall
San Jose del Monte, Bulacan	VREIT	Mall
Bacoor, Cavite	VREIT	Mall / Office Building
BGC, Taguig City	VREIT	Office Building
Talisay, Cebu	VREIT	Mall
Imus, Cavite	VREIT	Mall
General Trias, Cavite	VREIT	Mall
Tanza, Cavite	VREIT	Mall
San Agustin, San Fernando	VREIT	Mall
Mille Luce, San Roque, Antipolo	VREIT	Mall

Item 3. Legal Proceedings

None of VistaREIT, Inc., the Fund Manager, the Property Manager and/or its Properties is currently involved in any material litigation nor, to the best of their knowledge, is any material litigation currently contemplated or threatened against the Company, the Fund Manager or the Property Manager or involving any of the Properties.

Item 4. Submission of Matters to a Vote of Security Holders

Except for matters taken up during the Annual Stockholders Meeting, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer’s Common Equity and Related Stockholders Matters

Market Information

The Company’s common shares are being traded at the Philippine Stock Exchange. The high and low sales prices for each quarter within the last three fiscal years as traded on the Philippine Stock Exchange are as follows:

Quarter	2024			2023			2022			2021		
	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close
1 st	1.75	1.66	1.72	1.72	1.59	1.60	n/a	n/a	n/a	n/a	n/a	n/a
2 nd				1.76	1.48	1.68	1.75	1.71	1.74	n/a	n/a	n/a
3 rd				1.69	1.62	1.69	1.76	1.60	1.60	n/a	n/a	n/a
4 th				1.70	1.63	1.67	1.65	1.48	1.65	n/a	n/a	n/a

The market capitalization of VREIT as of December 31, 2023, based on the closing price of ₱1.67 per share, was approximately ₱12.53 billion.

As of March 31, 2024, VREIT’s market capitalization stood at ₱12.90 billion based on the ₱1.72 per share closing price.

Price Information as of the Latest Practicable Trading Date

<u>Trading Date</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
25 April 2024	1.75	1.74	1.74

Stockholders

There are approximately 16 holders of common equity security of the Company as of December 31, 2023 (based on the number of accounts registered with the Stock Transfer Agent).

The following are the top 20 holders of the common securities of the Company:

	Stockholders Name	No. of Common Shares	Percentage (of Common Shares)
1.	PCD Nominee Corporation (Filipino)	2,629,181,250	35.13%
2.	Masterpiece Asia Properties, Inc.	2,472,009,663	32.96%
3.	Vista Residence, Inc.	1,305,247,888	17.40%
4.	Manuela Corporation	444,235,220	5.92%
5.	Communities Pampanga, Inc.	364,301,277	4.86%
6.	Crown Asia Properties, Inc.	261,865,952	3.49%
7.	PCD Nominee Corporation (Foreign)	17,440,750	0.23%
8.	Manuel Paolo A. Villar ¹	4,500,000	0.06%
9.	Jerylle Luz C. Quismundo ²	500,000	0.01%
10.	Brian N. Edang ³	250,000	0.00%
11.	Myra P. Villanueva	121,000	0.00%
12.	Raul Juan N. Esteban	62,500	0.00%

¹ Shares are under PCD Nominee Corporation (Filipino)

² Shares are under PCD Nominee Corporation (Filipino)

³ Shares are under PCD Nominee Corporation (Filipino)

	Stockholders Name	No. of Common Shares	Percentage (of Common Shares)
13.	Justina F. Callangan	62,500	0.00%
14.	Leticia A. Moreno	62,500	0.00%
15.	Melissa Camille Z. Domingo	62,500	0.00%
16.	Myrna P. Villanueva	60,000	0.00%
17.	Milagros P. Villanueva	30,000	0.00%
18.	Marietta V. Cabreza	5,000	0.00%
19.	Jennifer T. Ramos	2,000	0.00%
	Total issued and outstanding common shares as of December 31, 2022	7,500,000,000	100.00%

Dividends

₱0.05380 per share Regular Cash Dividend

Declaration Date: April 15, 2024

Record date: May 07, 2024

Payment date: May 28, 2024

₱0.04000 per share Regular Cash Dividend

Declaration Date: November 14, 2023

Record date: December 14, 2023

Payment date: January 09, 2024

₱0.03960 per share Regular Cash Dividend

Declaration Date: August 14, 2023

Record date: August 31, 2023

Payment date: September 21, 2023

₱0.03920 per share Regular Cash Dividend

Declaration Date: May 18, 2023

Record date: June 02, 2023

Payment date: June 26, 2023

₱0.03860 per share Regular Cash Dividend

Declaration Date: April 19, 2023

Record date: May 08, 2023

Payment date: May 29, 2023

Recent Sale of Unregistered Securities

There have been no sales of unregistered securities in the past three years.

Stock Options

None

Item 6. Management's Discussion and Analysis

REVIEW OF YEAR END 2023 VS YEAR END 2022

RESULTS OF OPERATIONS

Revenues

Revenues increased to ₱2,625 million for the year ended December 31, 2023 from ₱2,101 million for the year ended December 31, 2022. The 24.9% increase in the account was primarily attributable to the non-operation of the Company from January – March 2022 as well as the following:

- Rental income increased by 23.2% from ₱1,958 for the year ended December 31, 2022 to ₱2,411 million for the year ended December 31, 2023. The increase was due to the increase in foot traffic and escalation rates. As of December 31, 2023, the occupancy rate is at 97%.
- Parking fees increased by 24.0% to ₱41 million for the year ended December 31, 2023 from ₱33 million for the year ended December 31, 2022 primarily driven by the increase in numbers of vehicles parked in the malls.
- Other operating income increased by 56% from ₱111 million for the year ended December 31, 2022 to ₱173 million for the year ended December 31, 2023. The increase was due to the increase in administrative fees and other fees charged to tenants.

Fair value changes in investment properties

Fair value changes in investment properties recorded a gain of ₱11,737 million for the year ended December 31, 2023 from ₱11,200 million for the year ended December 31, 2022 attributable to the following:

- Fair value of investment properties increased by 110% to ₱1,090 million gain for the year ended December 31, 2023 from ₱10,658 million loss for the year ended December 31, 2022 due to the recognition of the changes in fair value of the investment properties transferred to the company in 2023. There was an increase in the FV of properties as a result of the changes in the discount rate and cap rate as interest rates are on a decreasing trend.
- Straight line adjustments increased by 3.9% to ₱550 million for the year ended December 31, 2023 from ₱529 million for the year ended December 31, 2022 due rental escalation of lease contracts recognized on a straight line basis for the year.
- Lease commissions decreased by 85% to ₱2 million for the year ended December 31, 2023 from ₱12 million for the year ended December 30, 2022 due to the decrease in the lease commission charged for the year.

Costs and Expenses

Cost and expenses increased from ₱477 million for the year ended December 31, 2022 to ₱602 million for the year ended December 31, 2023. The 26% increase in the account was primarily attributable to the following:

- Light and power expenses increased by 26% to ₱142 million for the year ended December 31, 2023 from ₱112 million for the year ended December 31, 2022 due to the increase in activities for the year as foot traffic increase in the malls of the company.
- Outside services increased by 30% to ₱124 million for the year ended December 31, 2023 from ₱96 million for the year ended December 31, 2022 due to the additional security and maintenance personnel as increased activities in the community malls of the company and the DOLE mandated increase in salaries.

- Advertising and promotion increased by 132% to ₱33 million for the year ended December 31, 2023 from ₱14 million for the year ended December 30, 2022 due to the increase in advertising and promotion activities for the year as we are going back to normalcy.

Other Income

Interest income increased from ₱20 million for the year ended December 31, 2022 to ₱53 million for the year ended December 31, 2023. The 158% increase resulted from the interest earned from the increase in cash in banks of the company for the year offset by the bank charges recorded for the year.

Benefit from Income Tax

Benefit from income for the year ended December 31, 2023 was ₱41 million, an decrease of 4% from ₱43 million for the year ended December 31, 2022. This was due primarily, in 2022, there were months that the Company is not yet a REIT Company and still subject to the 25% mandated tax.

Net Income/(Loss)

As a result of the foregoing, net income/(loss) increased by 126% to ₱2,519 million income in the year ended December 31, 2023 from ₱9,618 million loss in the year ended December 31, 2022. If we exclude the fair value adjustment for the period, the company would have recorded a core net income of ₱1,982 million for the year ended December 31, 2023.

For the year ended December 31, 2023, there were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

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

FINANCIAL CONDITION

As of December 31, 2023 vs. December 31, 2022

As a result of the transfer of assets from Sponsors to the Company through property-for-shares swap, the Company's financial condition resulted into recognition and increased of almost all of its assets, liabilities and equity in the year ended December 31, 2022 and December 31, 2023.

Total assets as of December 31, 2023 are ₱28,996 million compared to ₱27,519 million as of December 31, 2022, or a 5% increase. This was due to the following:

- Cash decreased by 66% from ₱89 million as of December 31, 2022 to ₱30 million as of December 31, 2023 due primarily to cash dividends paid for the year and used in investing activities.
- Receivables increased by 134% from ₱1,238 million as of December 31, 2022 to ₱2,901 million as of December 31, 2023 due to the increase in receivables from tenants and accrued rent receivables.
- Due from related parties decreased by 62% from ₱1,177 million as of December 31, 2022 to ₱455 million as of December 31, 2023 this resulted from the offsetting agreement entered into by the Company and the Sponsors from the dividends.
- Other assets decreased by 6% from ₱160 million as of December 31, 2022 to ₱150 million as of December 31, 2023 due to the decrease in input vat.
- Property and equipment decreased by 33% from ₱18 million as of December 31, 2022 to ₱12 million as of December 31, 2023 due to the depreciation recognized for the year.

- Investment Properties increased by 3% from ₱24,837 million as of December 31, 2022 to ₱25,457 million as of December 31, 2023 due to the fair value gain recognized for the year.

Total liabilities as of December 31, 2023 are ₱1,493 million compared to ₱1,355 million as of December 31, 2022, or a 10% increase. This was due to the following:

- Accounts and other payables increased by 93% from ₱246 million as of December 31, 2022 to ₱475 million as of December 31, 2023 due to the increase in payable to suppliers of the commercial malls and withholding tax payable.
- Security deposits and advance rent increased by 3% from ₱629 million as of December 31, 2022 to ₱645 million as of December 31, 2023 due to the increase in security deposits.
- Payable to related parties decreased by 2% from ₱275 million as of December 31, 2022 to ₱270 million as of December 31, 2023 due to the payment made to related parties.
- Dividends payable decreased by 41% from ₱175 million as of December 31, 2022 to ₱104 million as of December 31, 2023 due to dividends paid for the year.
- Income tax payable decreased by 100% from ₱30 million as of December 31, 2022 to nil as of December 31, 2023 due to the tax paid to the government.

Total stockholder's equity increased by 5% from ₱26,164 million as of December 31, 2022 to ₱27,502 million as of December 31, 2023 due to the increase in income recognized for the year.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	12/31/2023	12/31/2022
Current ratio ^(a)	1.98:1	1.64:1
Debt ratio ^(b)	0.00:1	0.00:1
Return on equity ^(c)	9:1	(0.37):1
Net Profit Margin ^(d)	96%	(613%)
EBITDA ^(e)	2,569,158,522	(9,567,069,379)

Notes:

(a) Current Ratio is computed by dividing the Current Assets of the Company by its Current liabilities.

(b) Debt Ratio is computed by dividing interest bearing debt by the total assets. Interest bearing debt includes current and noncurrent portion of Bank loans.

(c) Return on equity is computed by dividing annualized net income by the total annualized equity.

(d) Net Profit Margin is computed by dividing the net income by the total revenue.

(e) EBITDA is computed as net income before interest expense, provision for income taxes, depreciation and amortization.

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Current ratio as of December 31, 2023 increased from that of December 31, 2022 due to the increase in current assets.

Return on equity increased due to the higher net income for the year.

Net Profit Margin increased due to the net income for the year as a result of the recognition of unrealized gain in FV adjustment of the investment properties.

EBITDA increased due to the higher net income for the year.

Material Changes to the Company's Balance Sheet as of December 31, 2023 compared to December 31, 2022 (increase/decrease of 5% or more)

Cash decreased by 66% from ₱89 million as of December 31, 2022 to ₱30 million as of December 31, 2023 due primarily to cash dividends paid for the year and used in investing activities.

Receivables increased by 134% from ₱1,238 million as of December 31, 2022 to ₱2,901 million as of December 31, 2023 due to the increase in receivables from tenants and accrued rent receivables.

Due from related parties decreased by 62% from ₱1,177 million as of December 31, 2022 to ₱455 million as of December 31, 2023 this resulted from the offsetting agreement entered into by the Company and the Sponsors from the dividends.

Other assets decreased by 6% from ₱160 million as of December 31, 2022 to ₱150 million as of December 31, 2023 due to the decrease in input vat.

Property and equipment decreased by 33% from ₱18 million as of December 31, 2022 to ₱12 million as of December 31, 2023 due to the depreciation recognized for the year.

Accounts and other payables increased by 93% from ₱246 million as of December 31, 2022 to ₱475 million as of December 31, 2023 due to the increase in payable to suppliers of the commercial malls and withholding tax payable.

Dividends payable decreased by 41% from ₱175 million as of December 31, 2022 to ₱104 million as of December 31, 2023 due to dividends paid for the year.

Income tax payable decreased by 100% from ₱30 million as of December 31, 2022 to nil as of December 31, 2023 due to the tax paid to the government.

Material Changes to the Company's Statement of income for the year ended December 31, 2023 compared to the year ended December 31, 2022 (increase/decrease of 5% or more)

Rental income increased by 23.2% from ₱1,958 for the year ended December 31, 2022 to ₱2,411 million for the year ended December 31, 2023. The increase was due to the increase in foot traffic and escalation rates. As of December 31, 2023, the occupancy rate is at 97%.

Parking fees increased by 24% to ₱41 million for the year ended December 31, 2023 from ₱33 million for the year ended December 31, 2022 primarily driven by the increase in numbers of vehicles parked in the malls.

Other operating income increased by 56% from ₱111 million for the year ended December 31, 2022 to ₱173 million for the year ended December 31, 2023. The increase was due to the increase in administrative fees and other fees charged to tenants.

Fair value of investment properties increased by 110% to ₱1,090 million gain for the year ended December 31, 2023 from ₱10,658 million loss for the year ended December 31, 2022 due to the recognition of the changes in fair value of the investment properties transferred to the company in 2023. There was an increase in the FV of properties as a result of the changes in the discount rate and cap rate as interest rates are on a decreasing trend.

Lease commissions decreased by 85% to ₱2 million for the year ended December 31, 2023 from ₱12 million for the year ended December 30, 2022 due to the decrease in the lease commission charged for the year.

Light and power expenses increased by 26% to ₱142 million for the year ended December 31, 2023 from ₱112 million for the year ended December 31, 2022 due to the increase in activities for the year as foot traffic increase in the malls of the company.

Outside services increased by 30% to ₱124 million for the year ended December 31, 2023 from ₱96 million for the year ended December 31, 2022 due to the additional security and maintenance personnel as increased activities in the community malls of the company and the DOLE mandated increase in salaries.

Advertising and promotion increased by 132% to ₱33 million for the year ended December 31, 2023 from ₱14 million for the year ended December 30, 2022 due to the increase in advertising and promotion activities for the year as we are going back to normalcy.

Interest income increased from ₱20 million for the year ended December 31, 2022 to ₱53 million for the year ended December 31, 2023. The 158% increase resulted from the interest earned from the increase in cash in banks of the company for the year offset by the bank charges recorded for the year.

For the year ended December 31, 2023, there were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

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

REVIEW OF YEAR END 2022 VS YEAR END 2021

RESULTS OF OPERATIONS

Revenues

Revenues increased to ₱2,100 million for the year ended December 31, 2022 from nil for the year ended December 31, 2021. The 100% increase in the account was primarily attributable to the non-operation in 2021 and the transfer of the assets to the Company in March 2022 as well as the following:

- Rental income increased by 100% from nil for the year ended December 31, 2021 to ₱1,958 million for the year ended December 31, 2022. The increase was due to the increase in occupancy and escalation rates. As of December 31, 2022, the occupancy rate is at 97%.
- Parking fees increased by 100% to ₱33 million for the year ended December 31, 2022 from nil for the year ended December 31, 2021 primarily driven by the increase in numbers of vehicles parked in the malls.
- Other operating income increased from nil for the year ended December 31, 2021 to ₱109 million for the year ended December 31, 2022. The 100% increase was due to the increase in administrative fees and other fees charged to tenants.

Fair value changes in investment properties

Fair value changes in investment properties recorded a loss ₱11,200 million for the year ended December 31, 2022 from nil for the year ended December 31, 2021 attributable to the following:

- Decrease in fair value of investment properties increased by 100% to ₱10,658 million for the year ended December 31, 2022 from nil for the year ended December 31, 2021 due to the recognition of the changes in fair value of the investment properties transferred to the company in 2022. There was a decline in the FV of properties as a result of the changes in the discount rate and cap rate as interest rates are on an increasing trend.
- Straight line adjustments increased by 100% to ₱529 million for the year ended December 31, 2022 from nil for the year ended December 31, 2021 due rental escalation of lease contracts recognized on a straight line basis for the year.
- Lease commissions increased by 100% to ₱12 million for the year ended December 31, 2022 from nil for the year ended December 30, 2021 due increase in the lease commission charged for the year.

Costs and Expenses

Cost and expenses increased from nil for the year ended December 31, 2021 to ₱477 million for the year ended December 31, 2022. The 100% increase in the account was primarily attributable to the following:

- Light and power expenses increased by 100% to ₱112 million for the year ended December 31, 2022 from nil for the year ended December 31, 2021 due to the increase in activities for the year as foot traffic increase in the malls of the company.
- Outside services increased by 100% to ₱96 million for the year ended December 31, 2022 from nil for the year ended December 31, 2021 due to the additional security and maintenance personnel as increased activities in the community malls of the company.
- Advertising and promotion increased by 100% to ₱14 million for the year ended December 31, 2022 from nil for the year ended December 30, 2021 due to the increase in advertising and promotion activities for the year as we are going back to normalcy.

Other Income

Interest income increased from nil for the year ended December 31, 2021 to ₱2 million for the year ended December 31, 2022. The 100% increase resulted from the interest earned from the increase in cash in banks of the company for the year offset by the bank charges recorded for the year.

Benefit from Income Tax

Benefit from income for the year ended December 31, 2022 was ₱43 million, an increase of 100% from nil for the year ended December 31, 2021. This was due primarily to the increase of loss before tax for the year.

Net Loss

As a result of the foregoing, net loss increased by 100% to ₱9,618 million in the year ended December 31, 2022 from nil in the year ended December 31, 2021. If we exclude the fair value adjustment for the period, the company would have recorded a core net income of ₱1,569 million for the year ended December 31, 2022.

For the year ended December 31, 2022, there were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues. Except as discussed in the notes to financial statements Events after the report date on the potential impact of the COVID-19 pandemic.

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

FINANCIAL CONDITION

As of December 31, 2022 vs. December 31, 2021

As a result of the transfer of assets from Sponsors to the Company through property-for-shares swap, the Company's financial condition resulted into recognition and increased of almost all of its assets, liabilities and equity in the year ended December 31, 2022 from the pro-forma ended December 31, 2021.

Total assets as of December 31, 2022 are ₱27,519 million compared to ₱510 million as of December 31, 2021, or a 5,295% increase. This was due to the following:

- Cash decreased by 83% from ₱510 million as of December 31, 2021 to ₱89 million as of December 31, 2022 due primarily to cash dividends paid for the year.
- Receivables increased by 100.0% from nil as of December 31, 2021 to ₱1,238 million as of December 31, 2022 due to the increase in receivables from tenants and accrued rent receivables.
- Due from related parties increased by 100.0% from nil as of December 31, 2021 to ₱1,177 million as of December 31, 2022 this resulted from the asset injection to the Company by the Sponsors.
- Other assets increased significantly from ₱1 thousand as of December 31, 2021 to ₱160 million as of December 31, 2022 due to the increase in input vat and prepaid expenses.
- Property and equipment increased by 100.0% from nil as of December 31, 2021 to ₱18 million as of December 31, 2022 due to the transfer of properties and equipment.
- Investment Properties increased by 100.0% from nil as of December 31, 2021 to ₱24,837 million as of December 31, 2022 due to the transfer of the commercial buildings this is net of fair loss recorded for the year.

Total liabilities as of December 31, 2022 are ₱1,355 million compared to ₱10 million as of December 31, 2021, or a 13,779% increase. This was due to the following:

- Accounts and other payables increased by 4,651% from ₱5 million as of December 31, 2021 to ₱246 million as of December 31, 2022 due to the increase in payable to suppliers of the commercial malls and withholding tax payable.
- Security deposits and advance rent increased by 100.0% from nil as of December 31, 2021 to ₱589 million as of December 31, 2022 due to the assignment/transfer of tenants from the sponsors to the Company.
- Payable to related parties increased by 5,893% from ₱5 million as of December 31, 2021 to ₱275 million as of December 31, 2022 due to the assignment/transfer of tenants from the sponsors to the Company.
- Dividends payable increased by 100.0% from nil as of December 31, 2021 to ₱175 million as of December 31, 2022 due to dividends declared for the year.
- Income tax payable increased by 100.0% from nil as of December 31, 2021 to ₱30 million as of December 31, 2022 to recognized taxable operations prior to REIT listing.
- Other noncurrent liabilities increased by 100.0% from nil as of December 31, 2021 to ₱40 million as of December 31, 2022 due to the increase in retention payable.

Total stockholder's equity increased by 5,129% from ₱500 million as of December 31, 2021 to ₱26,164 million as of December 31, 2022 due to the property per share swap with the Sponsors.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	12/31/2022	12/31/2021
Current ratio ^(a)	1.64:1	52.24:1
Debt ratio ^(b)	0.00:1	0.00:1
Return on equity ^(c)	(0.37):1	0.00:1
Net Profit Margin ^(d)	(613%)	0.40%
EBITDA ^(e)	(9,567,069,379)	-

Notes:

(a) Current Ratio is computed by dividing the Current Assets of the Company by its Current liabilities.

(b) Debt Ratio is computed by dividing interest bearing debt by the total assets. Interest bearing debt includes current and noncurrent portion of Bank loans.

(c) Return on equity is computed by dividing annualized net income by the total annualized equity.

(d) Net Profit Margin is computed by dividing the net income by the total revenue.

(e) EBITDA is computed as net income before interest expense, provision for income taxes, depreciation and amortization.

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Current ratio as of December 31, 2022 decreased from that of December 31, 2021 due to the significant increase in current assets.

Return on equity decreased due to the higher net loss for the year.

Net Profit Margin decreased due to the net loss for the year as a result of the recognition of unrealized loss in FV adjustment of the investment properties.

EBITDA increased due to the higher net loss for the year.

Material Changes to the Company's Balance Sheet as of December 31, 2022 compared to December 31, 2021 (increase/decrease of 5% or more)

Cash decreased by 83% from ₱510 million as of December 31, 2021 to ₱89 million as of December 31, 2022 due primarily to cash dividends paid for the year.

Receivables increased by 100.0% from nil as of December 31, 2021 to ₱1,238 million as of December 31, 2022 due to the increase in receivables from tenants and accrued rent receivables.

Due from related parties increased by 100.0% from nil as of December 31, 2021 to ₱1,177 million as of December 31, 2022 this resulted from the asset injection to the Company by the Sponsors.

Other assets increased significantly from ₱1 thousand as of December 31, 2021 to ₱160 million as of December 31, 2022 due to the increase in input vat and prepaid expenses.

Property and equipment increased by 100.0% from nil as of December 31, 2021 to ₱18 million as of December 31, 2022 due to the transfer of properties and equipment.

Investment Properties increased by 100.0% from nil as of December 31, 2021 to ₱24,837 million as of December 31, 2022 due to the transfer of the commercial buildings this is net of fair loss recorded for the year.

Accounts and other payables increased by 4,651% from ₱5 million as of December 31, 2021 to ₱246 million as of December 31, 2022 due to the increase in payable to suppliers of the commercial malls and withholding tax payable.

Security deposits and advance rent increased by 100.0% from nil as of December 31, 2021 to ₱589 million as of December 31, 2022 due to the assignment/transfer of tenants from the sponsors to the Company.

Payable to related parties increased by 5,893% from ₱5 million as of December 31, 2021 to ₱275 million as of December 31, 2022 due to the assignment/transfer of tenants from the sponsors to the Company.

Dividends payable increased by 100.0% from nil as of December 31, 2021 to ₱175 million as of December 31, 2022 due to dividends declared for the year.

Income tax payable increased by 100.0% from nil as of December 31, 2021 to ₱30 million as of December 31, 2022 to recognized taxable operations prior to REIT listing.

Other noncurrent liabilities increased by 100.0% from nil as of December 31, 2021 to ₱40 million as of December 31, 2022 due to the increase in retention payable.

Material Changes to the Company's Statement of income for the year ended December 31, 2022 compared to the year ended December 31, 2021 (increase/decrease of 5% or more)

Rental income increased by 100% from nil for the year ended December 31, 2021 to ₱1,958 million for the year ended December 31, 2022. The increase was due to the increase in occupancy and escalation rates. As of December 31, 2022, the occupancy rate is at 97%.

Parking fees increased by 100% to ₱33 million for the year ended December 31, 2022 from nil for the year ended December 31, 2021 primarily driven by the increase in numbers of vehicles parked in the malls.

Other operating income increased from nil for the year ended December 31, 2021 to ₱109 million for the year ended December 31, 2022. The 100% increase was due to the increase in administrative fees and other fees charged to tenants.

Decrease in fair value of investment properties increased by 100% to ₱10,658 million for the year ended December 31, 2022 from nil for the year ended December 31, 2021 due to the recognition of the changes in fair value of the investment properties transferred to the company in 2022. There was a decline in the FV of properties as a result of the changes in the discount rate and cap rate as interest rates are on an increasing trend.

Straight line adjustments increased by 100% to ₱529 million for the year ended December 31, 2022 from nil for the year ended December 31, 2021 due rental escalation of lease contracts recognized on a straight line basis for the year.

Lease commissions increased by 100% to ₱12 million for the year ended December 31, 2022 from nil for the year ended December 30, 2021 due increase in the lease commission charged for the year.

Light and power expenses increased by 100% to ₱112 million for the year ended December 31, 2022 from nil for the year ended December 31, 2021 due to the increase in activities for the year as foot traffic increase in the malls of the company.

Outside services increased by 100% to ₱96 million for the year ended December 31, 2022 from nil for the year ended December 31, 2021 due to the additional security and maintenance personnel as increased activities in the community malls of the company.

Advertising and promotion increased by 100% to ₱14 million for the year ended December 31, 2022 from nil for the year ended December 30, 2021 due to the increase in advertising and promotion activities for the year as we are going back to normalcy.

Interest income increased from nil for the year ended December 31, 2021 to ₱2 million for the year ended December 31, 2022. The 100% increase resulted from the interest earned from the increase in cash in banks of the company for the year offset by the bank charges recorded for the year.

For the year ended December 31, 2022, there were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a

material change in the relationship between the costs and revenues. Except as discussed in the notes to financial statements Events after the report date on the potential impact of the COVID-19 pandemic.

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

The succeeding Management Discussion & Analysis for Years ended 2021 vs 2020 was prepared based on the Combined Carved-out Financial Statements of the Company. The Combined Carved-out FS (for the years ended 2021 and 2020) were used in the initial public offering (IPO) of the Company to accurately present the financial performance of the REIT assets prior to their infusion into the Company. Thus, for better understanding of the shareholders in respect of the Company's assets and business operations as a REIT company, and for consistency with the financial information used in the IPO, the financial information presented in this Definitive Information Statement are based on the said Combined Carved-out FS.

REVIEW OF YEAR END 2021 VS YEAR END 2020

RESULTS OF OPERATIONS

Revenues

Revenues increased to ₱2,306 million for the year ended December 31, 2021 from ₱1,977 million for the year ended December 31, 2020. The 16.7% increase in the account was primarily attributable to the opening of the economy as well as the following:

- Rental income increased by 15.1% from ₱1,912 million for the year ended December 31, 2020 to ₱2,200 million for the year ended December 31, 2021. The increase was due to the increase in occupancy and escalation rates.
- Parking fees increased by 13.7% to ₱24 million for the year ended December 31, 2021 from ₱21 million for the year ended December 31, 2020 primarily driven by the higher number of vehicles using parking space compared to the same period of 2020.
- Other operating income increased from ₱44 million for the year ended December 31, 2020 to ₱82 million for the year ended December 31, 2021. The 84.1% increase was due to the increase in administrative fees and other fees charged to tenants.

Costs and Expenses

Cost and expenses increased from ₱1,053 million for the year ended December 31, 2020 to ₱1,092 million for the year ended December 31, 2021. The 3.7% increase in the account was primarily attributable to the following:

- Marketing expenses decreased by 34.1% to ₱9 million for the year ended December 31, 2021 from ₱14 million for the year ended December 31, 2020 due to the shift to digital marketing.
- Other operating expenses increased by 104.7% to ₱26 million for the year ended December 31, 2021 from ₱12 million for the year ended December 31, 2020 due to the increase in miscellaneous expenses and office supplies used for the year.

Other Income (Expense)

Interest income decreased from ₱11 million for the year ended December 31, 2020 to ₱7 million for the year ended December 31, 2021. The 33.0% decrease resulted from the lower interest earned from in cash in banks, investments, and receivables of the company for the year.

Interest expense and other financing charges decreased by 10.4% from ₱87 million in the year ended December 31, 2020 to ₱78 million in the year ended December 31, 2021. This is due to a lower balance of

bank loans of the company for the year as principal payments were made during the year thus reducing interest charges.

Provision for Income Tax

Tax expense for the year ended December 31, 2021 was ₱212 million a decrease of 16.4% from the ₱254 million for the year ended December 31, 2020. This was due primarily to the lower tax rate for the year.

Net Income

As a result of the foregoing, net income increased by 56.9% to ₱930 million in the year ended December 31, 2021 from ₱593 million in the year ended December 31, 2020.

For the year ended December 31, 2021, there were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues. Except as discussed in the notes to financial statements Events after the report date on the potential impact of the COVID-19 pandemic.

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

FINANCIAL CONDITION

As of December 31, 2021 vs. December 31, 2020

Total assets as of December 31, 2021 were ₱19,992 million compared to ₱19,664 million as of December 31, 2020, or a 1.7% increase. This was due to the following:

- Cash decreased by 8.5% from ₱21 million as of December 31, 2020 to ₱19 million as of December 31, 2021 due to cash usage for the period.
- Receivables, including noncurrent portion increased by 48.0% from ₱1,710 million as of December 31, 2020 to ₱2,531 million as of December 31, 2021 due to the increase in receivables from tenants and accrued rent receivables.
- Property and equipment decreased by 22.0% from ₱35 million as of December 31, 2020 to ₱27 million as of December 31, 2021 due to the depreciation recognized for the year.
- Investment Properties – net decreased by 3.1% from ₱16.5 million as of December 31, 2020 to ₱15.9 million as of December 31, 2021 due primarily to the depreciation recognized for the year.

Total liabilities as of December 31, 2021 were ₱2,506 million compared to ₱2,535 million as of December 31, 2020, or a 1.2% increase. This was due to the following:

- Accounts and other payables increased by 20.3% from ₱464 million as of December 31, 2020 to ₱558 million as of December 31, 2021 due to the increase in deferred output VAT.
- Security deposits and advance rent increased by 35.2% from ₱301 million as of December 31, 2020 to ₱407 million as of December 31, 2021 due to additional deposits from new lessees as well as top up of security deposits and advance rent based on escalation.
- Income tax payable decreased by 4.8% from ₱103 million as of December 31, 2020 to ₱98 million as of December 31, 2021 due to settlements made during the year.
- Bank loans, including noncurrent portion decreased by 24.9% from ₱569 million as of December 31, 2020 to ₱427 million as of December 31, 2021 due to settlements made during the year.

- Pension liability increased by 12.2% from ₱7 million as of December 31, 2020 to ₱8 million as of December 31, 2021 due to changes in actuarial assumptions.
- Deferred tax liabilities – net posted an increase of 21.6% from ₱368 million as of December 31, 2020 to ₱448 million as of December 31, 2021 due to increase in temporary differences for the period that will eventually result to future tax liability.
- Other noncurrent liabilities decreased by 41.0% from ₱273 million as of December 31, 2020 to ₱161 million as of December 31, 2021 due to the decrease in construction bond.

Total stockholder's equity increased by 1.7% from ₱17,158 million as of December 31, 2020 to ₱17,457 million as of December 31, 2021 due to the equity transactions with VLL Group recorded for the year.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	12/31/2021	12/31/2020
Current ratio ^(a)	1.06:1	0.88:1
Debt ratio ^(b)	0.02:1	0.03:1
Return on equity ^(c)	0.05:1	0.03:1
Net Profit Margin ^(d)	0.40%	0.30%
EBITDA ^(e)	1,807.72	1,524.67

Notes:

(a) Current Ratio is computed by dividing the Current Assets of the Company by its Current liabilities.

(b) Debt Ratio is computed by dividing interest bearing debt by the total assets. Interest bearing debt includes current and noncurrent portion of Bank loans.

(c) Return on equity is computed by dividing net income by the total equity.

(d) Net Profit Margin is computed by dividing the net income by the total revenue.

(e) EBITDA is computed as net income before interest expense, provision for income taxes, depreciation and amortization.

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Current ratio as of December 31, 2021 increased from that of December 31, 2020 due to the increase in current assets.

The decrease in debt ratio was due to the increase in total asset compared to the decrease in interest bearing debt.

Return on equity increased due to the higher net income for the year.

Net Profit Margin increased due to the higher revenue and net income for the year.

EBITDA increased due to the higher net income for the year.

Material Changes to the Company's Balance Sheet as of December 31, 2021 compared to December 31, 2020 (increase/decrease of 5% or more)

Cash decreased by 8.5% from ₱21 million as of December 31, 2020 to ₱19 million as of December 31, 2021 due to cash usage for the period.

Receivables, including noncurrent portion increased by 48.0% from ₱1,710 million as of December 31, 2020 to ₱2,531 million as of December 31, 2021 due to the increase in receivables from tenants and accrued rent receivables.

Property and equipment decreased by 22.0% from ₱35 million as of December 31, 2020 to ₱27 million as of December 31, 2021 due to the depreciation recognized for the year.

Accounts and other payables increased by 20.3% from ₱464 million as of December 31, 2020 to ₱558 million as of December 31, 2021 due to the increase in deferred output VAT.

Security deposits and advance rent increased by 35.2% from ₱301 million as of December 31, 2020 to ₱407 million as of December 31, 2021 due to additional deposits from new lessees as well as top up of security deposits and advance rent based on escalation.

Bank loans, including noncurrent portion decreased by 24.9% from ₱569 million as of December 31, 2020 to ₱427 million as of December 31, 2021 due to settlements made during the year.

Pension liability increased by 12.2% from ₱7 million as of December 31, 2020 to ₱8 million as of December 31, 2021 due to changes in actuarial assumptions.

Deferred tax liabilities – net posted an increase of 21.6% from ₱368 million as of December 31, 2020 to ₱448 million as of December 31, 2021 due to increase in temporary differences for the period that will eventually result to future tax liability.

Other noncurrent liabilities decreased by 41.0% from ₱273 million as of December 31, 2020 to ₱161 million as of December 31, 2021 due to the decrease in construction bond.

Material Changes to the Company's Statement of income for the year ended December 31, 2021 compared to the year ended December 31, 2020 (increase/decrease of 5% or more)

Rental income increased by 15.1% from ₱1,912 million for the year ended December 31, 2020 to ₱2,200 million for the year ended December 31, 2021. The increase was due to the increase in occupancy and escalation rates.

Parking fees increased by 13.7% to ₱24 million for the year ended December 31, 2021 from ₱21 million for the year ended December 31, 2020 primarily driven by the higher number of vehicles using parking space compared to the same period of 2020.

Other operating income increased from ₱44 million for the year ended December 31, 2020 to ₱82 million for the year ended December 31, 2021. The 84.1% increase was due to the increase in administrative fees and other fees charged to tenants.

Marketing expenses decreased by 34.1% to ₱9 million for the year ended December 31, 2021 from ₱14 million for the year ended December 31, 2020 due to the shift to digital marketing.

Other operating expenses increased by 104.7% to ₱26 million for the year ended December 31, 2021 from ₱12 million for the year ended December 31, 2020 due to the increase in miscellaneous expenses and office supplies used for the year.

Interest income decreased from ₱11 million for the year ended December 31, 2020 to ₱7 million for the year ended December 31, 2021. The 33.0% decrease resulted from the lower interest earned from in cash in banks, investments, and receivables of the company for the year.

Interest expense and other financing charges decreased by 10.4% from ₱87 million in the year ended December 31, 2020 to ₱78 million in the year ended December 31, 2021. This is due to a lower balance of bank loans of the company for the year as principal payments were made during the year thus reducing interest charges.

Tax expense for the year ended December 31, 2021 was ₱212 million a decrease of 16.4% from the ₱254 million for the year ended December 31, 2020. This was due primarily to the lower tax rate for the year.

For the year ended December 31, 2021, there were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues. Except as discussed in the notes to financial statements Events after the report date on the potential impact of the COVID-19 pandemic.

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

Commitments and Contingencies

The Company is contingently liable with respect to guarantees arising in the ordinary course of business, including surety bonds, letters of guarantee for performance and bonds for its entire real estate project.

The Philippines continues to experience economic difficulties relating to currency fluctuations, volatile stock markets and slowdown in growth. Management is of the opinion that losses, if any, from these events and conditions will not have material effects on the Company's financial statements.

Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way. The registrant shall indicate balance sheet conditions or an income or cash flow item that it believes may be indicators of its liquidity condition.

The Company sources its capital requirements through a mix of internally generated cash, bank borrowings and advances from parent company. The Company does not expect any material cash requirements beyond the normal course of the business.

Any events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

None, except for those items disclosed in the 2023 Audited Financial Statements.

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 except those disclosed in the 2023 Audited Financial Statements.

Item 7. Financial Statements

The Financial Statements of the Company as of and for the year ended December 31, 2023 are incorporated herein in the accompanying Index to Financial Statements and/Supplementary Schedules.

Item 8. Information on Independent Accountant and Other Related Matters

Independent Public Accountant

SyCip Gorres Velayo & Co., independent certified public accountants, audited the Company's financial statements without qualification as of and for the years ended December 31, 2021, 2022 and 2023, included in this report. Cyril Jasmin B. Valencia is the current audit partner for the Company.

External Audit Fees and Services

External Audit Fees

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by SGV & Company.

	2023	2022
	(In ₱ Millions with VAT)	
Audit and Audit-Related Fees:		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	₱ 9.85	₱ 4.87
All other fees	—	—
Total	₱ 9.85	₱ 4.87

SGV & Company do not have any direct or indirect interest in the Company.

Tax Fees

Tax accounting, compliance, advice, planning and other form of tax services are not rendered by the appointed external auditor of the Company, but are secured from other entities.

All Other Fees

The appointed External Auditor of the Company does not render and/or provide product or service to the Company other than those provided under the caption “External Audit Fees”.

Audit Committee’s Approval Policies and Procedure for the Services of the External Auditor

The scope, extent and nature of the services to be referred to, and/or to be rendered by, the appointed External Auditor of the Company has to be unanimously approved by the Audit Committee in a meeting duly called for the purpose, including the fees to be paid for the services thus rendered and/or referred. In relation to the audit of the Company's annual financial statements, the Company's Corporate Governance Manual provides that the audit committee shall, among other activities (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Company; (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors; and (iii) ensure the compliance of the Company with acceptable auditing and accounting standards and regulations.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has adopted some revisions and annual improvements to the PFRS (Philippine Financial Reporting Standards) that are relevant to the Company and effective for the financial statements beginning on or after January 1, 2019 as discussed in Note 3 of the Notes to Financial Statements for the years ended December 31, 2023, 2022 and 2021.

As such, the comparative amounts contained in the audited financial statements may differ from those previously presented in the financial statements for the year ended December 31, 2023, 2022 and 2021.

There are no disagreements with auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Company.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Board of Directors and Executive Officers

The table below sets forth the members of the Company's Board and Executive Officers as of December 31, 2023.

<u>NAME</u>	<u>AGE</u>	<u>POSITION</u>	<u>CITIZENSHIP</u>
Jerylle Luz C. Quismundo	60	Chairman	Filipino
Manuel Paolo A. Villar	47	Director, President & Chief Executive Officer	Filipino
Brian N. Edang	45	Director	Filipino
Melissa Camille Z. Domingo	37	Director, Treasurer, Chief Financial Officer & Head, Investor Relations	Filipino
Justina F. Callangan	71	Independent Director	Filipino
Leticia A. Moreno	63	Independent Director	Filipino
Raul Juan N. Esteban	62	Independent Director	Filipino
Gemma M. Santos	62	Corporate Secretary	Filipino
Ma. Nalen SJ. Rosero	53	Assistance Corporate Secretary, Chief Legal Counsel, Compliance Officer & Chief Information Officer	Filipino
Marilyn S. Oblena	42	Chief Audit Executive	Filipino
Mayumi Mitzi L. Arao	45	Data Protection Officer	Filipino
Rowena B. Bandigan	46	Chief Accountant	Filipino

** Business Experience of the named directors and officers covers the past five (5) years.*

Jerylle Luz C. Quismundo, *Chairman of the Board*. Ms. Quismundo, 60, graduated cum laude with a degree in Bachelor of Science in Business Economics from the University of the Philippines Diliman in 1983. She finished her Master in Business Administration from the same university in 1989. She has held various positions under the M.B. Villar Group of Companies since 1989 and is the incumbent President of various Vista Land and Lifescapes, Inc. subsidiaries including Brittany Corporation, Camella Homes, Inc., Vista Residences, Inc., and Crown Asia Properties, Inc.

Manuel Paolo A. Villar, *Director and President & Chief Executive Officer*. Mr. Villar, 47, graduated from the Wharton School of the University of Pennsylvania, Philadelphia, USA with a Bachelor of Science in Economics and Bachelor of Applied Science in 1999. He was an Analyst for McKinsey & Co. in the United States from 1999 to 2001. He joined Vista Land in 2001 as Head of Corporate Planning then became its Chief Financial Officer in 2008. He was elected President, Chief Executive Officer, Director, and Vice Chairman of Vista Land and Lifescapes, Inc. (*listed company*) in July 2011 and President of Vistamalls, Inc. (*listed company*) in June 2019. In addition, he is the CEO and Chairman of St. Augustine Gold and Copper Limited and Chairman of TVI Resources Development Philippines, Inc., Powersource Phils Development Corp. and the Chairman of Vista Land subsidiaries Camella Homes, Inc., Communities Philippines, Inc., Crown Asia Properties, Inc., Brittany Corporation, Vista Residences, Inc. Mr. Villar also is the majority shareholder of Prime Asset Ventures, Inc., and a director of Fine Properties, Inc.

Brian N. Edang, *Director*. Mr. Edang, 45, is a Certified Public Accountant. He graduated cum laude with a Bachelor of Science in Accountancy from the University of St. La Salle - Bacolod. He is currently the Treasurer and Director of the following companies: Vista Residences, Inc., Brittany Corporation, Crown Asia Properties, Inc., Communities Philippines, Inc., and Camella Homes, Inc. Prior to joining the group, he was with SGV & Co. (EY Philippines) as an external auditor from 1999 to 2004. He is the Head Investor Relations of Vista Land and Lifescapes, Inc. from 2007 up to present, and the Chief Financial Officer of Vista Land & Lifescapes, Inc. since November 2018. Mr. Edang is a member of the Philippine Institute of Certified Public Accountants (PICPA) and the Financial Executives Institute of the Philippines (FINEX).

Melissa Camille Z. Domingo, *Chief Financial Officer, Treasurer, and Head, Investor Relations*. Ms. Domingo, 37, graduated cum laude from the University of the Philippines with the degree of Bachelor of Science in Business Administration & Accountancy in 2008. She is a Certified Public Accountant. In 2011, she took the Certified Internal Auditor examination and was part of the Top 50 successful examinees globally. Prior to joining Vista Land in 2013 as Senior Financial Analyst, she was with SGV & Co. (EY Philippines) as Associate Director. She was the Finance Head of Vista Land until she assumed the Chief Audit Executive position in June 2019, which she concurrently holds.

Justina F. Callangan, *Independent Director*. Atty. Callangan, 71, graduated cum laude from the University of the East with the degree of Bachelor of Arts in Political Science in 1973, and from San Sebastian College with the degree of Bachelor of Laws in 1980. She was a Political Science Instructor of the University of the East from 1974 to 1981 and became an Assistant Professor in Taxation and Business Laws from 1981 until her retirement from the university in 1995. Atty. Callangan started her career in the Securities and Exchange Commission as Analyst II in 1982 and held various positions with the Commission until she became Director of the Corporation Finance Department (now the Corporate Governance and Finance Department) from February 2001 to October 2017. She was also an Assistant Vice President of the Legal Department of the Urban Bank from November 1995 to November 2000. From November 2018 to December 2019, Atty. Callangan served as consultant in the Listings Department of the Philippine Stock Exchange. She was elected in August 2020 as Director representing the Public Sector in the Securities Investors Protection Fund, Inc. Currently, she is an Independent Director of ORIX Metro Leasing and Finance Corporation (*regulated company*), Vista Land & Lifescapes, Inc. (*listed company*), Panasonic Manufacturing Philippines Corp. (*listed company*) and AIB Money Market Fund (*regulated company*), a SEC-registered mutual fund. She is also a consultant to ASA Philippines Foundation, Inc. and to Divina Law Office since 2018. Atty. Callangan is a Mandatory Continuing Legal Education (MCLE) Lecturer on various SEC matters in both the UP-Law Center Institute for the Administration of Justice and Center for Global Best Practices.

Leticia A. Moreno, *Independent Director*. Ms. Moreno, 63, graduated with a Bachelor of Science in Business Economics degree from the University of the Philippines Diliman in 1982. She also received her Master of Business Administration degree from the same university in 1990. She was with the Corporate Banking Center of the Union Bank of the Philippines as a relationship manager. Before retiring in 2020, Ms. Moreno held the position of First Vice President of the Union Bank of the Philippines. Currently, she is an Independent Director of Rizal MicroBank - A Thrift Bank of RCBC and RCBC Leasing and Finance Corporation.

Raul Juan N. Esteban, *Independent Director*. Mr. Esteban, 62, graduated from the Ateneo de Manila University with a degree of Bachelor of Science in Management Engineering. He became a brand manager of Unilever Philippine from 1983 to 1986. He was the Country Representative of PPF (A Subsidiary of Unilever) from 1986 to 1988. He was Founding Partner of AGB-Nielsen Philippines and was Chairman until 2012. He held various positions in the Advertising Board of the Philippines, Advertising Congress, MORES (Marketing & Opinion Research Society of the Philippines) and ESOMAR (World Association of Marketing, Social, and Opinion Research) from 2000 to present. Currently, he is the Managing Director of Philippine Survey and Research Center Inc. Mr. Esteban also serves as an Independent Director of Vistamalls, Inc. (*listed company*), COL Strategic Growth Equity Unitized Mutual Fund, Inc. (formerly COL Cash Management Unitized Mutual Fund, Inc.), COL Equity Index Unitized Mutual Fund, Inc. and AllDay Marts, Inc. (*listed company*) since 2021. Mr. Esteban possesses all the qualifications and none of the disqualifications of an Independent Director under SRC Rule 38 since his election as such.

Gemma M. Santos, *Corporate Secretary*. Atty. Santos, 62, graduated cum laude with the degree of Bachelor of Arts, Major in History from the University of the Philippines in 1981, and with the degree of Bachelor of Laws also from the University of the Philippines in 1985. She is a practicing lawyer, and was a Senior Partner at Picazo Buyco Tan Fider & Santos Law Offices until 2017. She currently serves as a Special Counsel at the same firm. She is also the Corporate Secretary of Vista Land & Lifescapes, Inc., Golden MV Holdings, Inc. and Fine Properties, Inc., and a director of Bulacan Water District, Bulacan Water Co., Inc., Philippine Associated Smelting and Refining Corporation (PASAR).

Ma. Nalen S.J. Rosero, *Assistant Corporate Secretary and Chief Compliance Officer*. Atty. Rosero, 53, graduated salutatorian from the San Beda College of Law in 1997. She is currently the Corporate Secretary and a Director of the following companies: Household Development Corporation, Brittany Corporation, Crown Asia Properties, Inc., Vista Residences, Inc., Communities Philippines, Inc., Camella Homes, Inc., Mandalay Resources, Inc., Prima Casa Land & Houses, Inc., Vista Leisure Club, Inc., and Brittany Estates Corporation. She is also a Director of Manuela Corporation and Masterpiece Properties, Inc., and the Corporate Secretary of Vistamalls, Inc. From 1997 to 2000, she was an Associate in the Litigation Group of Angara Abello Concepcion Relaga & Cruz (ACCRA) Law Offices. On September 11, 2013, Atty. Rosero was designated as Compliance Officer and Chief Information Officer of Vista Land and Lifescapes, Inc.

Marilyn S. Oblena, *Chief Audit Executive*. Ms. Oblena, 42, graduated with a degree in Bachelor of Science in Accountancy from the University of Santo Tomas in 2002. She is a Certified Public Accountant. Ms. Oblena previously served as the Controller for Property Company of Friends, Inc. from 2010 to 2018. At present, she is the Accounting Head of Masterpiece Asia Properties, Inc. She is a member of the Philippine Institute of Certified Public Accountants and the Institute of Internal Auditors – Philippines.

Mayumi Mitzi L. Arao, *Data Protection Officer*. Atty. Arao, 45, earned her Bachelor of Arts in English Language Studies from the University of the Philippines in 1999 and graduated from the Arellano University School of Law in 2015. She served as a Court Attorney VI in the Supreme Court of the Philippines from 2006 to 2013. Atty. Arao is a practicing lawyer at Rosero Sabillo Lazaro Carino Law Offices. She is also a member of the Integrated Bar of the Philippines.

Rowena B. Bandigan, *Chief Accountant*. Ms. Bandigan, 46, is a Certified Public Accountant. She took and passed her certification exam in 1999 shortly after graduating with a degree of Bachelor of Science in Accountancy at PLM (Pamantasan ng Lungsod ng Maynila). She worked as Senior Auditor at Deloitte Philippines until 2005. Thereafter, she worked in Singapore as Senior Auditor at Foo Kon Tan Grant Thornton, a member of Grant Thornton International from 2005 to 2009 and as Audit Manager at Moore Stephens LLP in 2009-2010. She joined Vistamalls, Inc. and its subsidiaries as Chief Accountant in 2010.

Resignation of Directors

No Director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting due to disagreement with the Registrant on any matter relating to the Registrant's operations, policies or practices.

Family relationships

None of the Company's Director or Executive Officer is related to the others by consanguinity or affinity within the fourth civil degree.

Involvement in Certain Legal Proceedings of Directors and Executive Officers

None of the Directors and Executive Officers is involved in any material pending legal proceedings in any court or administrative agency of the government.

None of them has been involved in any bankruptcy petition.

None of them has been convicted by final judgment in a criminal proceeding or being subject to any pending criminal proceeding, both domestic and foreign.

None of them has been subject to any order, judgment or decree of any court of competent jurisdiction (both domestic and foreign) permanently or temporarily enjoining, barring, suspending or likewise limiting their involvement in any type of business, securities, commodities or banking activities.

None of them has been found by a domestic or foreign court of competent jurisdiction (in a civil action), by the Commission or comparable body, or by a domestic or foreign exchange or organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

Item 10. Executive Compensation

Our key officers, namely: Ms. Jerylle Luz C. Quismundo, Mr. Manuel Paolo A. Villar, Mr. Brian N. Edang, Ms. Melissa Camille Z. Domingo and Ms. Marilyn S. Oblena, are also serving as officers of Vista Land. They do not receive any compensation from our Company. The compensation of these officers is paid by Vista Land.

There are no other executive officers other than aforementioned.

Standard arrangements

Other than payment of reasonable per diem ₱50,000 per non-executive director for every meeting, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly by the Company's subsidiaries, for any services provided as a director for 2022 and 2023.

Other arrangements

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly by the Company's subsidiaries, during 2022 and 2023 for any service provided as a director.

Employment Contracts and Termination of Employment and Change in Control Arrangements

There are no special employment contracts between the Company and the named executive officers.

Warrants and options held by the executive officers and directors

There are no outstanding warrants or options held by the Company's named executive officers, and all officers and directors as a group.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Record and Beneficial Owners

Security ownership of certain record and beneficial owners of more than 5.0% of the voting securities as of December 31, 2023:

<u>Title of Class of Securities</u>	<u>Name/Address of Record Owners and Relationship with Us</u>	<u>Name of Beneficial Owner /Relationship with Record Owner</u>	<u>Citizenship</u>	<u>No. of Shares Held</u>	<u>% of Ownership¹</u>
Common Shares	Masterpiece Asia Properties, Inc. 3rd Floor, Starmall, CV Starr Avenue, Philamlife Village, Pamplona, Las Piñas City Shareholder	Record Owner is also beneficial Owner	Filipino	2,472,009,663	32.9601%
Common Shares	Vista Residences Inc. LGF Bldg B, Evia Lifestyle Center, Vista City, Daang Hari, Almanza II, Las Piñas City Shareholder	Record Owner is also beneficial Owner	Filipino	1,305,247,888	17.4033%

¹Based on the total issued and outstanding common shares of 7,500,000,000 as of December 31, 2023

Common Shares	Manuela Corporation 3rd Floor, Starmall, CV Starr Avenue, Philamlife Village, Pamplona, Las Piñas City Shareholder	Record Owner is also beneficial Owner	Filipino	444,235,220	5.9231%
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Security Ownership of Management

Security ownership of certain management as of December 31, 2023:

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	Percent of Class
Common Shares	Manuel Paolo A. Villar C. Masibay Street, BF Resort Village, Las Piñas City	4,500,000 - Indirect ⁴	Filipino	.06%
Common Shares	Jerylle Luz C. Quismundo #15 Garnet Ext., Doña Juana, Rosario, Pasig City	500,000 – Indirect ⁴	Filipino	.0067%
Common Shares	Brian N. Edang B5L2 Auburn St., Marina Heights, Sucat, Muntinlupa City	250,000 – Indirect ⁴	Filipino	.0033%
Common Shares	Melissa Camille Z. Domingo 62A Labo St., Sta Mesa Heights, Quezon City	62,500 - Direct	Filipino	.0008%
Common Shares	Justina F. Callangan B164 L17 Castello St., Casa Milan Subd., Fairview, Quezon City	62,500 - Direct	Filipino	.0008%
Common Shares	Leticia A. Moreno 240 Lucerne, Pine Crest Condominiums, Aurora Blvd. corner Balet Drive, Quezon City	62,500 - Direct	Filipino	.0008%
Common Shares	Raul Juan N. Esteban 223B Alexandra Condo. 29 Meralco Avenue, Ortigas Center, Pasig City	62,500 - Direct	Filipino	.0008%
-	Gemma M. Santos #19 Matungao St., Bulacan, Bulacan	-	Filipino	-
-	Ma. Nalen SJ. Rosero Block 5 Lot 2A New Victorienne Row La Posada Subdivision, Sucat, Muntinlupa City	-	Filipino	-

⁴ held through PCD Nominee Corporation

-	Marilyn S. Oblena 56A Tinio St., Brgy Addition Hills, Mandaluyong City	-	Filipino	-
-	Mayumi Mitzi L. Arao Unit 402, Union Square Condominium, 145 15th Ave., Cubao, Quezon City	-	Filipino	-
AGGREGATE SHAREHOLDINGS		5,500,000		0.0733%

Voting Trust Holders of 5.0% or More

As of December 31, 2023, there is no party holding any voting trust for 5% or more of total shares outstanding.

Changes In Control

As of December 31, 2023, there was no arrangement which may result in a change in control of the Company.

Item 12. Certain Relationships and Related Transactions

As of December 31, 2023, Vista Land (through its subsidiaries) holds 64.64% of the total issued and outstanding common share capital of the Company. It enters into transactions with associates and related parties, in its regular course of business. These transactions to and from related parties are made on arm's length basis and at current market prices at the time of the transactions.

No transaction, without proper disclosure, was undertaken by the Company in which any Director or Executive Officer, nominee for election as Director, or any member of its immediate family was involved or had a direct or indirect material interest.

No single Director or Executive Officer, nominee for election as Director, or any member of their immediate family owns or holds more than 10% of the Company's voting shares.

Please refer to Notes on Related Party Transactions of the Notes to Financial Statements of the 2022 Audited Financial Statements, which is incorporated herein in the accompanying Index to Exhibits.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

To be disclosed separately.

PART V — SUSTAINABILITY REPORT

VISTAREIT, INC.

Annex A: Sustainability Report

CONTEXTUAL INFORMATION

Company Details	
Name of Organization	VISTAREIT, INC. (PSE:VREIT)
Location of Headquarters	Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City 1750
Location of Operations	Nationwide
Report Boundary: Legal entities (e.g., subsidiaries) included in this report	<p>This report covers the economic, social, and governance performances and policies of the Company. For the environmental performance and policies, VistaREIT reports on sites that comprise more than 50% of the overall gross floor area, specifically:</p> <ul style="list-style-type: none"> ● Vista Mall Las Piñas (Main) - Pamplona Dos, Las Piñas City ● Starmall Las Piñas (Annex) - Pamplona Dos, Las Piñas City ● Starmall San Jose Del Monte – SJDM, Bulacan ● Vista Mall Pampanga – San Fernando, Pampanga ● SOMO – A Vista Mall - Bacoar City, Cavite ● Vista Mall Antipolo - Antipolo City, Rizal ● Vista Mall General Trias - General Trias City, Cavite ● Vista Mall Tanza - Tanza, Cavite ● Starmall Talisay, Cebu - Talisay City, Cebu ● Vista Hub Molino - Bacoar City, Cavite ● Vista Hub BGC - BGC, Taguig City
Business Model, including Primary Activities, Brands, Products, and Services	<p>VistaREIT, Inc. (“VistaREIT”, “VREIT” or “the Company”) designated by, (1) Masterpiece Asia Properties, Inc. (MAPI); (2) Vista Residences, Inc (VRI); (3) Manuela Corporation (MC); (4) Communities Pampanga. Inc. (CPI); and (5) Crown Asia Properties, Inc. (CAPI), (the “Sponsors”) to operate as a Real Estate Investment Trust (REIT), leases to a diversified tenant base, with a high-quality portfolio (the “Portfolio”) of 10 community malls, (“Mall Properties”) and two (2) office buildings (“Office Properties”, together with Mall Properties, the “Properties” and each, a “Property”) with an aggregate GLA of 256,403.95 sqm as of December 31, 2023. VREIT’s Portfolio consists of commercial spaces</p>

VISTAREIT, INC. SEC ANNEX 2023

	primarily leased for retail purposes, which may also be used and leased for office purposes as required.
Reporting Period	January 1, 2023 – December 31, 2023
Highest Ranking Person responsible for this report	Melissa Camille Z. Domingo Chief Financial Officer, Head of Investor Relations

Materiality Process

VistaREIT Inc, as with the other subsidiaries identified as part of the Villar Group of companies, are guided by the GRI and SASB Standards in the conduct of their materiality processes.

This includes the following steps:

1. **Pre-identification of topics** – Issues and topics from different references such as the sector-specific publications from GRI and SASB standards for real estate, and industry peers were collated. The topical list was simplified with a few additional ones to ensure that the economic, environmental, social, and governance (EESG) aspects of the organization are covered.
2. **Identification of Material Topics** – The Company revisited the list to assess if the topics are material to the operations and its stakeholders. An online form is provided that allows the Company to identify topics that are material by selecting ‘Yes’ or ‘No’.
3. **Materiality Assessment** – Topics deemed as material are processed into an online survey where the Company further assessed the criticality of impact of each topic using a five-point scale – 1 as low to no impact and 5 as highest impact.

Most respondents expressed enthusiastic views towards discussions on sustainability. Most of them believe sustainability means being existent for a long time and surpassing any crises. Others see it based on the ability to provide the needed resources without causing negative impacts to the present and future generations. With these, the respondents affirm that sustainability is critical to the overall success of the business to continuously provide quality service for the customers and be one of the major players in the mall industry.

On the organizational level, the respondents recognized some of the areas that VistaREIT is performing well in terms of sustainability. These areas include the following:

- providing world class mall experiences to the customers
- environmental practices for managing wastes, energy, and water
- investing on new projects and ideas, and on the digitization of services
- prudent use of financial resources and effective austerity measures

To further contribute to the sustainability of the Company, the respondents suggest the following initiatives and goals to be set up:

- invest more on green building practices such as installing renewable energy
- intensify digitization of services to promote contactless transactions
- offer products and services that are friendly for the environment
- continue supporting local suppliers
- more efficient planning of projects to lessen change orders and variation orders.

Incentive programs, feedback systems, and being informed regularly on accomplishments or progress of different company programs would encourage the respondents more to get involved in the Company’s sustainability journey.

Table 1. Material Topics 2023 Arranged According to Degree¹ of Impact

2023 Topics	
1	Marketing & Promotion
2	Occupational Health and Safety
2	Store Lease
3	Well-being
3	Innovation
4	Human Rights
4	Governance
5	Customer Satisfaction
5	Community
6	Regulatory Compliance
7	Water Use
8	Economic Performance
9	Ethical Business Practices
10	Energy
11	Water Management
12	Land Use
13	Green Buildings
14	Land Escape Impacts
15	Emissions

The results show a growing criticality for conducting Marketing and Promotion within the organization. Occupational Health and Safety and Store Lease shared the second rank in terms of criticality while Well-being and Innovation tied for third most critical topics in 2023.

¹ Topics with similar rankings have the same weighted average based on the materiality assessment results.

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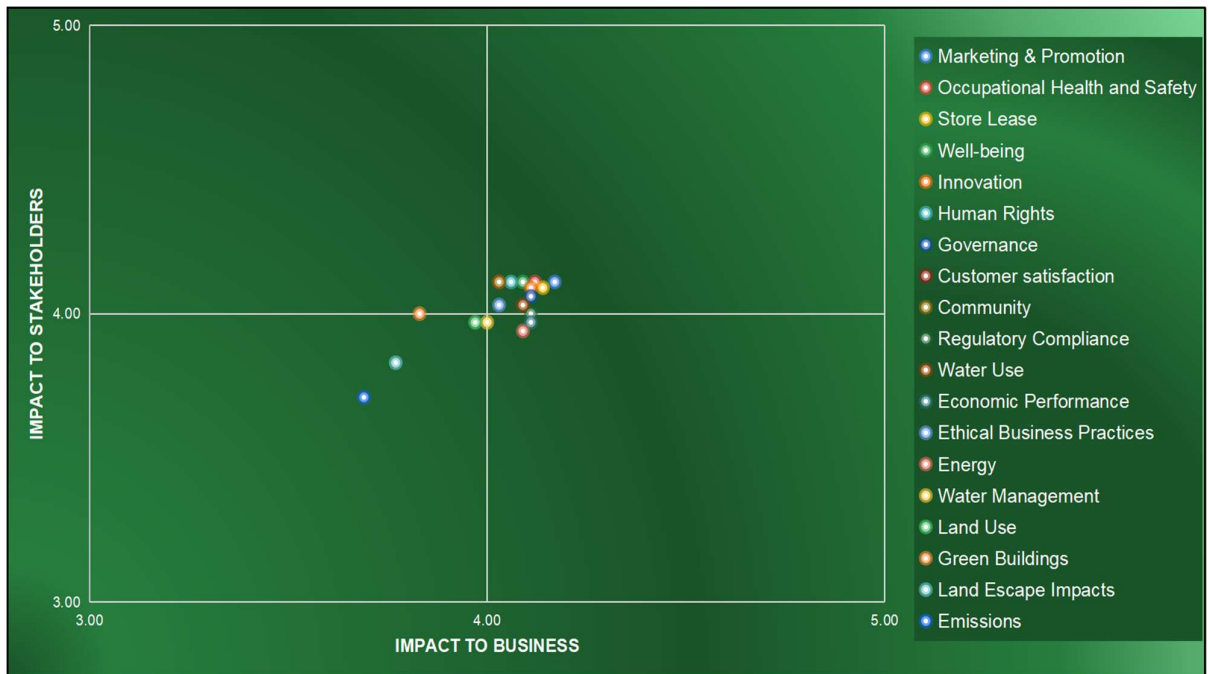


Table 1. Materiality Matrix

The results show a growing criticality for conducting Marketing and Promotion within the organization. Occupational Health and Safety and Store Lease shared the second rank in terms of criticality while Well-being and Innovation tied for third most critical topics in 2023.

ECONOMIC AND GOVERNANCE DISCLOSURES

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount (in millions PhP)	
	2023	2022
Direct economic value generated (revenue)	2,625.02	2,101.43
Direct economic value distributed:		
a. Operating costs	367.18	250.94
b. Employee wages and benefits	2.13	0.60
c. Payments to suppliers, other operating costs	147.10	123.54
d. Dividends given to stockholders and interest payments to loan providers	1,180.50	605.25
e. Taxes given to government	42.07	57.88
f. Investments to community (e.g., donations, CSR)	2.50	1.50

Impact	Stakeholders Affected
<p>The Company's ability to sustainably generate value helps provide quality employment for its stakeholders. This allows people financial capabilities to support the overall economic health and growth for its local communities.</p> <p>Additionally, the taxes paid by the Company serve to finance public services and bolster governmental initiatives that benefit the people.</p> <p>VistaREIT registered a 24.92% increase in its economic performance as compared with 2022.</p> <p>VistaREIT contributes its financial resources to its stakeholders with 21% for commercial building construction and operating requirements, 0.12% for employees through wages and benefits, 8% for suppliers, contractors, and other vendors, 68% for stockholders, 2% for the government in the form of taxes, and 0.14% for community investments.</p>	<p>Employees, Community, Suppliers, Investors, Government, Customers</p>

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<p>The Company reported zero seasonal factors such as trends, events or other uncertainties that had a material impact on its financial status or its operations in 2023.</p>	
Management Approach to Impacts	
<p>The Company based its financial sustainability on efficient resource management. VistaREIT managed its finances through careful and regular checks on its portfolio, with liability management activities conducted whenever necessary.</p> <p>Its annual and quarterly reports were prepared based on Philippine Financial Reporting Standards, audited by a third-party auditing firm, and submitted to the relevant regulatory agency. To ensure transparency, the reports were also posted on the Company website and the Philippine Stock Exchange Edge Portal.</p> <p>As a result of the Company's good governance and transparency, the City Government of Bacoor, Cavite held its "Tribute to Outstanding Admirable and Stellar Taxpayers" for 2023.</p> <p>The Villar Group ranked top 3 on the Top 10 Business Taxpayers of the Year Award and VistaREIT, Inc. ranked top 4 on the Top 10 Real Property Taxpayers Award Companies/Developers. The taxes paid by the Company contribute to the funds used by the government to support the economic activities of the city.</p> <p>Developments in 2023</p> <p>There are no new developments in 2023, but the developments from 2022 are still in use.</p> <p>On June 15, 2022, the Company was listed as a REIT company under the Main Board of the PSE, and the Secondary Offer Shares of 2,500,000,000 common shares held by the Sponsors were sold to the public at a price of Php1.75 per share.</p>	
Risks	Stakeholders Affected
<p>The Company has identified several key risks, including market sustainability reliant on economic growth and key customer industries, foreign exchange (forex) volatility, high interest rate, non-compliance with regulatory requirements, and lack of support from the neighboring community.</p>	<p>Employees, Community, Suppliers, Investors, Government, Customers</p>
Management Approach to Risks	
<p>VistaREIT has adjusted its operations with the safety measures and protocols as regulated. The persistent economic recovery in the country has opened commercial spaces and allowed construction and real estate development activities to continue in 2023.</p>	

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The Company's Board Risk Oversight Committee oversees the Enterprise Risk Management System (ERMS) that ensures its functionality and effectiveness. The system includes mitigation measures and controls for all identified risks.

Opportunities and Management Approach	Stakeholders Affected
<p>VistaREIT retained the business process outsourcing (BPO) tenants in 2023, as Google Services Philippines, Inc. renewed their contracts for three years. Community-based commercial centers and BPO office spaces provided the Company stable revenues despite the health crisis. This opened an opportunity for VistaREIT to strengthen its leasing business that caters to community-based malls and BPO offices or other similar uses. Consumer behavior studies will be continually practiced to satisfy the preferences of the target customers.</p> <p>VistaREIT is committed to performing sound financial management and discipline for its operational controls, policies, and procedures. It will continue to compete through project concept, quality, affordability, and location.</p> <p>As the real estate market becomes increasingly competitive, VistaREIT remains committed to its organic growth strategy and endeavors to expand into new geographic markets and retain its synergistic relationships with the Villar Group.</p>	<p>Employees, Community, Suppliers, Investors, Government, Customers</p>

Climate related risks and opportunities²

Governance Disclose the organization's governance around climate related risks and opportunities	
a) Describe the board's oversight of climate-related risks and opportunities	The Board identifies and manages all risks and opportunities, including physical risks related to climate, which are handled by the Board Risk Oversight Committee. The Committee based its decisions on recommendations contingent to update policies and

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

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	<p>related guidance of the Enterprise Risk Management (ERM).</p> <p>The Chief Risk Officer (CRO) oversees the ERM process with the following responsibilities:</p> <ul style="list-style-type: none"> (i) supervise all phases of the ERM process and its documentation. This includes its development, implementation, maintenance, and continuous improvement. (ii) communicate the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee; (iii) collaborate with the Chief Executive Officer (CEO) in updating and making recommendations to the Board Risk Oversight Committee; (iv) suggest ERM policies and related guidance, as needed; and (v) provide insight on the following: <ul style="list-style-type: none"> • Risk management processes are performing as intended. • Risk measures reported are continuously reviewed by risk owners for effectiveness; and • Establish risk policies and procedures are being complied with. <p>The CRO's office is given authority, stature, resources, and support from all departments to fulfill assigned tasks</p>
b) Describe management's role in assessing and managing climate-related risks and opportunities	<p>Management assists in the implementation of the Company's vision, mission, strategic objectives, policies, and procedures as set by the Board. It is their responsibility to monitor, evaluate, and analyze the operations of the business and report the findings and risks to the Board. Management is also authorized to make sound business assessments and formulate action plans to be approved by the Board.</p>
Strategy Disclose the actual and potential impacts ¹⁶ of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<p>The Company has studied the acute physical (e.g., typhoons, floods, fire, earthquake) and chronic physical (e.g., increase in outside temperatures) risks for its malls and BPO leasing operations as part of its operational, financial, and reputational risks on a short, medium, and long-term perspectives.</p>

<p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning</p>	<p>VistaREIT believes that such risks may cause temporary disruptions of its operations, specifically:</p> <ul style="list-style-type: none"> • Short-term risks include floods and typhoons that can cause power interruptions. If there are cracks in buildings, leaks may occur inside the malls especially during the heavy downpour. There may also be less manpower in construction sites brought on by unfavorable weather conditions, which in turn can delay project schedules. • Medium-term risks include high ambient temperature that may damage the mall equipment, leading to higher energy consumption and low volume of foot traffic. As a result, the Company may report a lower income while dealing with repairs costs for the different equipment. • Long-term risks include the worsening climate change influence that may bring about higher consumption of energy such as air conditioning during hot weather conditions and for using generators in times of power interruptions during typhoons.
<p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario</p>	<p>The Company had made it an internal standard operating procedure to conduct a thorough, technical environment scanning as part of its due diligence process of all of its land acquisitions and their adjacent areas, as well as malls and office establishments in the face of risks posed by climate-related situations such as the 2°C or lower scenario in its ERM.</p> <p>The Company regularly reviewed and updated its Business Continuity Plan (BCP) in keeping with new developments that resulted from its due diligence studies. This included any adjustment to allocated budgets reserved for emergencies and other crisis situations as well as regular training as part of the upkeep of different teams tasked to facilitate repairs, maintenance, and business operations for all possible scenarios.</p>
<p>Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks</p>	
<p>a) Describe the organization's processes for identifying and assessing climate-related risks</p>	<p>VistaREIT defined and discussed all its key risks in its ERM system.</p> <p>Aside from risks related to business strategy, compliance, operations, finances and corporate or brand reputation, the Company identified climate-related risks based on the analysis of key risks exposure relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives</p>

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b) Describe the organization's processes for managing climate- related risks	VistaREIT's risk register consists of clearly defined, prioritized and residual risks. This register has evolved to become the foundation for developing the risk mitigation plan that highlights the most important risks to the Corporation, as defined by the risk management strategy. The Company then communicates and reports significant risk exposures, and risk mitigation plans to the Board Risk Oversight Committee for their consideration.
c) Describe how processes for identifying, assessing, and managing climate- related risks are integrated into the organization's overall risk management	<p>As part of the Villar Group, the direction for risk management, including climate-related risks of VistaREIT, is patterned after its sponsors.</p> <p>Employees from all levels are involved in the monitoring and reporting of concerned areas. Teams are assigned to assess mall conditions and discuss possible solutions to address concerns within the properties. The resulting cost proposals are allocated budgets once approved. The implementation of the proposal is then monitored, and reports are generated throughout the process.</p>
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate- related risks and opportunities where such information is material	
a) Disclose the metrics used by the organization to assess climate- related risks and opportunities in line with its strategy and risk management process	<p>Natural catastrophes directly affect the Company's operations. Impacts of this risk is measured through the following:</p> <ul style="list-style-type: none"> ● Number of days of delays in project timeline ● Number of days of property downtime and business disruption ● Costs of repair or replaced damage or destroyed assets ● Costs for maintenance due to wear and tear on or damage to buildings <p>To mitigate the exposure to other climate-related risks, VistaREIT sees the opportunity of improving its business operations through:</p> <ul style="list-style-type: none"> ● Conducting regular preventive check and maintenance of all assets ● Retrofitting of building and other developments ● Tracking the frequency of discussions with Board and Management on climate-related risks
b) Describe the targets used by the organization to manage climate- related risks and opportunities and performance against targets	VistaREIT's end-goal is to have zero to minimal business disruptions in the event of severe weather conditions and other natural disasters. To ensure this target is met, the Company frequently communicates with and trains its employees on the protocols to mitigate risks for such situations.

Procurement Practices

Proportion of spending and local suppliers

Disclosure	2023	2022
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100	100

Impact, Risks, and Management Approach	Stakeholders Affected
<p>In 2023, VistaREIT engaged with over 435 suppliers that are 100% locally based in the Philippines. These consist of businesses that offer preventive maintenance services, construction and repair services, as well as materials supply and delivery.</p> <p>The Company continues to invest in local suppliers as a commitment to help develop the local economy.</p> <p>All suppliers are required to pass the accreditation process to ensure that they are fully prepared to meet the requirements of the Company. For more information on the accreditation process, refer to the Supply Chain Management section under the Social Disclosures.</p>	Employees, Suppliers, Contractors
Opportunities and Management Approach	Stakeholders Affected
<p>VistaREIT seeks to achieve higher standards of procurement while strengthening its relationship with local suppliers. The Company maintains a pool of contractors that are near or within the vicinity of VistaREIT in case of issues or challenges from the regular suppliers with whom they were initially partnered.</p> <p>Supporting local suppliers and the community is imperative for VistaREIT, as it is built on a strong commitment to share social progress, environmental stewardship, and business success that is anchored on a balanced development model and is respectful of the environment and the communities where it operates.</p> <p>In 2023, there is continuous improvement of the online procurement system where all transactions such as biddings, contract reviews, billing processing, and supply requests can be performed. Online billing countering was also launched last 2023 and is now being used for supply billing countering. The system continuously helped ease the acceptance of requirements and the coordination between the Company and the suppliers. Additionally, VistaREIT conducts constant research for benchmarking and to know the industry trends as part of performing good procurement practices.</p>	Suppliers, Contractors, Employees

Governance

Anti- Corruption

Training on Anti-corruption Policies and Procedures

Disclosure	2023	2022
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	100
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	100
Percentage of directors and management that have received anti- corruption training	100	100
Percentage of employees that have received anti-corruption training	100	100

Incidents of Corruption

Disclosure	2023	2022
Number of incidents in which directors were removed or disciplined for corruption	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0

Impact and Management Approach	Stakeholders Affected
<p>VistaREIT believes that good governance includes good management of fraud and corruption incidents. The following policies comply with the principles and practices set out by the Company's Manual on Corporate Governance.</p> <p>All employees, directors, and members of management are oriented and copies of the Company's whistleblowing policy and anti-corruption policies are provided. These regulations apply rigorously to everyone. To reinforce these principles during the epidemic, VistaREIT conducted online meetings and discussions and utilized all available channels, including email, social media, and virtual meetings, to disseminate diverse rules throughout the organization. All workers receive clear instructions on procedures, such as prohibitions on accepting gifts and guidance on preventing conflicts of interest.</p>	<p>Employees, Tenants, Suppliers, Directors and Management, Government Regulators</p>

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<p>The Company ensures that discussions on the Anti-Corruption Policies are included in the on-the-job orientation and annual corporate values sessions. Before being granted projects and contracts, suppliers and contractors undergo a standard accreditation process, which includes screening for compliance with relevant regulations based on their experiences and track record. This process ensures that the Company only partners with third parties who have ethical business conduct. The policies are also available on the Company's website for all stakeholders to access.</p> <p>As a result, all employees, directors, management, and business partners receive training and communication on the company's anti-corruption policies. Moreover, there were no reported instances of corruption in 2023.</p>	
Risks	Stakeholders Affected
<p>Corruption is identified to be inherent in any business. VistaREIT believes that cases that are not dealt with proper action may lead to inefficiency in operations, loss of trust in the management, and damage to the Company's reputation.</p>	<p>Employees, Tenants, Suppliers, Directors and Management, Government Regulators</p>
Management Approach to Risks	
<p>Measures and controls are in place to mitigate corruption risks. Internally, audit procedures ensure the clarity and traceability in the transactions made by Finance and Operations units. External auditors, on the other hand, test the effectiveness of these internal controls.</p>	
Opportunities and Management Approach	Stakeholders Affected
<p>VistaREIT will continue to abide by the highest ethical standards as it conducts its business and to materialize the principles of good corporate governance in the entire organization through the different policies. Moreover, the Company remains compliant with the various regulations relevant for its business.</p>	<p>Employees, Tenants, Suppliers, Directors and Management, Government Regulators</p>

ENVIRONMENT DISCLOSURES

Energy and Emissions

Energy consumption within the organization

Disclosure	Units	2023	2022
Gasoline			
GenTri	L	240.00	253.00
SOMO	L	1,596.00	672.80
LPG			
SJDM	Kg	45,096.90	117,706.38
Talisay	Kg	17,716.15	19,658.69
GenTri	Kg	11,294.76	10,882.00
Tanza	Kg	1,738.29	1,156.15
Pampanga	Kg	89,882.97	89,822.40
Diesel			
Generator Sets			
SJDM	L	6,504.00	5,968.00
Talisay	L	120.00	7,581.96
SOMO	L	414.00	396.12
Tanza	L	1,662.13	1,688.62
Vhub Molino	L	36.00	36.00
Vhub BGC	L	1,440.00	1,440.00
Pampanga	L	1,800.00	1,500.00
Antipolo	L	1,080.00	1,080.00
Electricity			
LP – Annex	kWH	1,590,600.00	1,522,500.00
LP – Main	kWH	5,115,459.01	4,567,173.28
SJDM	kWH	9,044,196.30	8,568,724.55
Talisay	kWH	2,825,743.74	2,528,616.00
SOMO	kWH	8,027,824.28	7,608,183.00
GenTri	kWH	4,611,781.13	3,655,472.10
Tanza	kWH	4,385,762.27	4,293,580.41
VHub Molino	kWH	2,259,250.00	2,453,500.00
VHub BGC	kWH	6,443,287.35	5,517,313.28
Pampanga	kWH	6,677,679.20	6,345,630.20
Antipolo	kWH	1,214,080.00	1,131,910.00

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Energy Intensity

Disclosure	Units	2023	2022
LPG			
SJDM	kg/sq.m	215.73	563.08
Talisay	kg/sq.m	84.75	94.04
Tanza	kg/sq.m	177.44	118.02
Electricity			
LP – Annex	kWH/mWH	1,590.60	1,522.50
LP – Main	kWH/mWH	5,115.46	4,567.17
SJDM	kWH/mWH	9,044.19	8,568.72
Talisay	kWH/mWH	2,825.74	1,459.94
SOMO	kWH/mWH	8,027.82	4,392.72
GenTri	kWH/mWH	4,611.78	3,655.47
Tanza	kWH/mWH	4,385.76	4,293.58
VHub Molino	kWH/mWH	2,259.25	2,453.50
VHub BGC	kWH/sqm	306.82	262.73
Pampanga	kWH/mWH	6,677.68	6,345.63
Antipolo	kWH/sqm	57.81	53.90
Diesel			
Genset			
SJDM	L/hours	5,859.46	5,376.58
Talisay	L/hours	108.11	6,830.59
SOMO	L/hours	372.97	356.86
Tanza	L/hours	1,497.42	1,521.28
VHub Molino	L/hours	32.43	32.43
VHub BGC	L/mins	2.77	2.77
Pampanga	L/mins	3.46	2.88
Antipolo	L/mins	2.08	2.08

Reduction³ of energy consumption

Disclosure	Units	2023	2022
Gasoline			
GenTri	L	(13)	253
LPG			
SJDM	Kg	(72,609.48)	38,451.45
GenTri	Kg	956,309.03	10,882.00
Tanza	Kg	92,181.86	24,237.76

³ Negative values mean an increased consumption compared to previous year's consumption.

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Diesel			
Generator Sets			
SJDM	L	536.00	1,468.00
Tanza	L	(26.49)	109.40
VHub BGC	L	-	1,440.00
Pampanga	L	300	1,500.00
Electricity			
LP – Annex	kWH	68,100.00	122,500.00
LP – Main	kWH	548,285.73	443,758.28
SJDM	kWH	475,471.75	1,377,019.00
GenTri	kWH	956,309.03	503,796.10
Tanza	kWH	92,181.86	1,135,143.61
VHub BGC	kWH	925,974.07	1,620,118.81
Pampanga	kWH	332,049.00	6,345,630.20
Antipolo	kWH	82,170.00	217,182.00

Air Emissions

GreenHouse Gases⁴

Disclosure	2023	2022
Energy indirect (Scope 2) GHG Emissions (in tonnes CO ₂ e) Electricity ⁵		
LP – Annex	1,590.60	1,522.50
LP – Main	5,115.46	4,567.17
SJDM	9,004.20	8,568.72
Talisay	2,825.74	1,459.94
SOMO	8,027.82	4,392.72
GenTri	4,611.78	3,655.47
Tanza	4,385.76	4,293.58
VHub Molino	2,259.25	2,453.50
VHub BGC	6,443.29	5,517.31
Pampanga	6,677.68	6,345.63
Antipolo	1,214.08	1,131.91
Scope 3 GHG emissions (in tons CO ₂ e)	N/A	N/A
Emission of ozone-depleting substances (ODS)	N/A	N/A
Nitrogen Oxides (NO _x), Sulfur Oxides (SO _x), and	N/A	N/A

⁴ Restated for comparability

⁵ Emission Factor Used: DOE 2015-2017 National Grid Emission Factor (NGEF)

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Other Significant Air Emissions	N/A	N/A
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Air Pollutants

Impact	Stakeholders Affected
Malls and commercial spaces consume energy for their cooling system, chiller plant operation, lighting, generator set operations, and tenants' use. As part of the Company's response to protect its employees, shuttle services are provided during site visits which are the source of diesel consumption in 2022.	Employees, Tenants, Customers
Management Approach to Impacts	
<p>VistaREIT provides training to its operations staff on energy management measures which include the proper maintenance and operation of diesel generator sets. As per DENR-EMB MC2022-003, only genset that runs at three hours per day or 200 running hours annually must perform emission tests.</p> <p>Energy saving measures are being adopted. These include measures such as:</p> <ul style="list-style-type: none"> • upgrading lighting fixtures from CFL/fluorescent lightings to LED bulbs. As of 2023, 98% have been converted into LED lights; • scheduling the switching of lights, air conditioning units, elevators, and escalators; • daily temperature monitoring, wherein low temperatures necessitate turning off equipment. The 24-degree Celsius ambient temperature is maintained. ACUs are during non-peak hours; • the use of the automatic switches for pumps and motors; • maximize the existing load capacity of transformers to cater activities; • diesel consumption is monitored through the purchase orders for servicing employees; • proper ventilation is provided to ensure normal working conditions for equipment; • regular preventive maintenance measures of equipment. Generator sets are scheduled quarterly for PMS and are undergo change oil annually; • ongoing replacement and upgrade of old electrical/mechanical equipment to prevent interruption due to equipment failures; and • cleaning of exhaust, filters and facilities are scheduled to improve equipment performance and efficiency. <p>Regular inspection of all facilities and equipment is conducted to assess lighting and equipment usage in malls and to ensure that all systems are in tip-top condition to avoid sudden breakdowns and lessen the use of emergency power supply.</p>	
Risks	Stakeholders Affected
<p>VistaREIT sees the risk presented by power interruptions that may be caused by natural or man-made events.</p> <p>All malls have building administrators that track the usage of energy. They maintain data on the energy use trends of various facilities and equipment. The data serves as the main reference</p>	Employees, Tenants, Customers

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<p>in budgeting energy benchmarks per month and in developing measures to ensure that the amount of consumption does not go beyond the budgeted energy consumption. Each month, the building administrators compare the actual kWh consumption versus the budgeted kWh consumption for the common area to avoid excessive use of energy. When the power usage is increasing in some areas, the building administrators discuss with technicians and security personnel on how to monitor the strategic switching off of electrical equipment like elevators, lights, and aircons as necessary. The building administrators are also trained to respond in emergency cases such as power interruptions.</p>	
Opportunities and Management Approach	Stakeholders Affected
<p>VistaREIT continuously seeks for feasible renewable energy sources for its malls and BPO spaces. In Pampanga, the mall has been installed with 600 pieces of 455W solar panels and 462 pieces of 555W solar panels.</p> <p>Overall, VistaREIT continuously improves its energy management to ensure efficiency of operations while providing a comfortable shopping experience for the customers.</p>	Employees, Tenants, Customers

Water

Water consumption within the organization

Disclosure	2023	2022
Water withdrawal (in m ³)		
LP – Annex	6,376.00	6,510.00
LP – Main	25,820	15,257.00
SJDM	118,446.00	117,616.00
Talisay	7,568.00	6,975.00
SOMO	48,057.00	55,286.00
GenTri	1,364.00	1,486.00
Tanza	16,398.00	14,863.00
VHub Molino	19,636.00	10,462.00
VHub BGC	47,247.00	24,835.00
Pampanga	48,528.00	48,528.00
Antipolo	15,381.00	14,814.00

Water withdrawal Intensity (%)

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LP – Annex	91.37%	93.29%
LP – Main	34.50%	34.50%
SJDM	60.68%	42.68%
Talisay	35.67%	33.16%
SOMO	20.00%	17.30%
GenTri	10.08%	4.95%
Tanza	54.56%	51.10%
VHub Molino	54.59%	52.90%
VHub BGC	43.90%	49.73%
Pampanga	91.92%	91.92%
Antipolo	97.78%	96.34%
Water consumption (in m ³)		
LP – Annex	6,376.00	6,510.00
LP – Main	25,820.00	15,257.00
SJDM	14,046.00	13,216.00
Talisay	7,568.00	6,975.00
SOMO	40,017.00	49,757.40
GenTri	1,364.00	1,486.00
Tanza	9,958.00	9,958.00
VHub Molino	18,736.00	9,415.80
VHub BGC	47,247.00	24,835.00
Pampanga	20,058.00	20,058.00
Antipolo	15,381.00	14,814.00
Water recycled and reused (in m ³)		
SJDM	2,654.00	2,554.00
SOMO	8,040.00	4,975.74
Tanza	3,336.00	3,286.00
VHub Molino	900.00	941.58
Pampanga	9,342.00	9,123.00

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Impact and Management Approach	Stakeholders Affected
<p>Water is a vital resource in the Company's operations. It is especially significant for the malls' cooling system, cooking and washing supply of tenants, and supply for comfort rooms and water features (e.g., fountains). The Company also ensures that discharges to creeks and rivers comply with national standards.</p> <p>The Company operates with the following measures in mind to ensure that water is consumed efficiently throughout the malls:</p> <ul style="list-style-type: none"> • Minimize the use of water through proper scheduling of floor wash downs or cleaning of the malls and BPO spaces. • Train personnel on water conservation • Ensure regular maintenance schedule of all pipes, valves, and pumps • Take initiatives to prevent soil and water contamination by waterproofing of the Sewage Treatment Plant (STP) chambers that ensures the containment and discharge system have no leaks • Install new technologies such as sensor-type faucets in all malls and BPO properties. • Ensure regular testing is performed to pass water and wastewater quality standards set by government regulations • Reduce percentage of valve opening in common areas • Reduce water pressure in comfort rooms • Open water features during weekends • Check and maintenance of pipes to avoid leaks • Provide water meters for daily monitoring of water consumption <p>The Company ensures that its wastewater treatment facilities comply and meet the regulatory requirements set by the DENR and by the third-party providers. Quarterly testing is conducted to verify if water discharge complies with effluent standards by accredited testing laboratories.</p> <p>Property management teams practice harvesting rainwater for flushing urinals and water closets and reuse it for perimeter cleaning and landscape maintenance.</p>	<p>Employees, Tenants, Customers</p>
Risks	Stakeholders Affected
<p>VistaREIT is at risk of water crises. Additionally, non-compliance with effluent standards may cause ceasing of operations. Ultimately, it may result in significant health risks.</p>	<p>Employees, Tenants, Customers</p>

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Management Approach to Risks	
<p>The malls have installed water tanks to use as reserve supply during occasions of water shortage. VistaREIT is also modernizing its facilities to conform with the stricter standards of DAO 2021-19 and of Laguna Lake Development Authority (LLDA). It currently invests in bioaugmentation that hastens the breakdown of contaminants in wastewater. Particularly, this process uses non-hazardous and non-corrosive microbes to degrade fats, oils, starch proteins, industrial waste and grease and lowers sludge that can affect the environment.</p>	
Opportunities and Management Approach	Stakeholders Affected
<p>VistaREIT takes part in preserving a healthy environment for all its stakeholders by maintaining the quality of wastewater to prevent water pollution in nearby water bodies, soil, and underground contamination from leakages. The Company is, therefore, continually assess the possibility of installing water-recycling equipment to divert discharges for other uses such as landscape maintenance.</p>	<p>Employees, Tenants, Customers</p>
Management Approach to Opportunities	
<p>VistaREIT aims to reduce the water needed to run the facilities by a minimum of 20% by the end of 2023. As part of this goal, the Company plans to recycle wastewater to operate the cooling towers. It is also the initiative of VistaREIT to utilize water from the cooling tower to be used for perimeter cleaning.</p> <p>One of the malls targets to reuse treated water from the STPs as an alternative source to supply water closets and urinals. This initiative expects to reuse 50% of water from the STP and will take off in 2023. Another mall also targets to reduce the mall sharing for water consumption vs tenant consumption to less than 50%.</p> <p>Aside from recycling, the property management teams maintain the piping system to discharge only in designated discharge points. They secure all hazardous waste properly. Monitoring of cistern tanks and sewage treatment plants are conducted weekly and they are properly maintained and cleaned annually.</p>	

Materials used by the organization

Disclosure		Units	2023	2022
Renewable Materials used				
LP – Annex	Wood	Pcs	4	4
	PVC pipe		1	1
LP – Main	Wood	Pcs	42	40
	PVC pipe		2	1
SJDM	Wood	Pcs	120	120
	PVC pipe		75	80
Talisay	Wood	Pcs	2	3
	PVC pipe		30	35

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SOMO	Wood	Pcs	20	20
	Plumber		20	20
GenTri	Wood	Pcs	10	10
	PVC pipe		30	30
Recycled input materials used				
LP - Annex	Plyboard, Metal Furring	Pcs	51	51
LP - Main	Plyboard, Metal Furring	Pcs	7	7
Talisay	Plyboard, Gypsum board Metal Furring	Pcs	42	45
SOMO	Office paper	Rim	11	10
GenTri	Plyboard, Gypsum board Metal Furring	Pcs	430	450
Percentage of reclaimed products and their packaging materials				
Talisay	Gypsum board	%	80	80
	Metal Furring		85	90
	Plyboard		75	75
GenTri	Gypsum board	%	80	80
	Metal Furring		60	60
	Plyboard		90	90
Reclaimed products and their packaging materials			N/A	N/A

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

VistaREIT has no sites that significantly impact lands with high biodiversity value or located in or near protected areas. As part of the Villar Group, the Company employs the same procedures in land acquisition as with its sponsors. Engineering and environmental assessments are conducted to determine if the land is suitable for construction. The land must be topographically amenable to commercial development.

Other factors include:

- the general economic condition of the environment surrounding the property;
- suitable land must be located near areas with sufficient demand or that the anticipated demand can justify any development;
- the site's accessibility from nearby roads and major thoroughfares;
- the availability of utility infrastructure, such as electric transmission facilities, telephone lines and water systems; and
- the overall competitive landscape and the neighboring environment and amenities.

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Biodiversity in the company's operations

At VistaREIT malls, it has become a daily exercise in support of biodiversity by conducting the following activities such as:

- Proper segregation and waste disposal
- Recycling of materials like (wood, paper, and metals)
- Comply to Environmental standards for waste-water and air cleanliness
- Propagation and gardening activities
- Conduct Preventive maintenance on all equipment to ensure effectiveness and efficiency.
- Uses recycled water to use in landscaping at Building expansion area
- Proper disposal of construction debris to eliminate land pollution
- Recycling of construction materials

The Company also supports programs such as the Villar Foundation (formerly known as Villar SIPAG) that champion biodiversity. Used plastics are donated in support of their plastics recycling program. The Company also produces and provides fertilizer to the foundation in support of their campaign against food waste.

Waste

Solid Waste

Disclosure		Units	2023	2022
Reusable				
Talisay	Plastic	Kg	1,825	2,098
Recyclable				
Talisay	Paper & Cartons	Kg	2,050	4,980
	Glass bottle	Kg	1,095	2,146
	Aluminum	Kg	20	109
	Metal	Kg	30	178
SOMO	Box	lot	1	1
GenTri	Solid Waste	cum	24	24
Vhub Molino	Office Supplies waste	Lot	-	1
Vhub BGC	Paper	Kg	1,330	3,425
Pampanga	Paper and Plastic	mt	95	95
Composted				
Talisay	Food waste	Kg	730	4,095
SOMO	Food waste	Lot	1	1
Pampanga	Food waste	mt	30	35
Residuals/Landfilled				
SOMO	Debris	Lot	1	1
Antipolo	Grease	Kg	1,500	4,600

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Hazardous Waste

Disclosure		Units	2023	2022
Total weight of hazardous waste generated				
Talisay	Bulbs	pcs	203	508
	Batteries	pcs	6	6
Vhub BGC	Bulbs	Pcs	210	230
Pampanga	Bulbs	Mt	0.01	0.01
	Batteries	Pcs	8	8
	Used Oils	L	540	540
Antipolo	Bulbs	pcs	1	3

Impact	Stakeholders Affected
Events, seasonal decorations, increased number of tenants, higher foot traffic, and higher car volume are the identified inputs that lead to more waste generation in VistaREIT during the year.	Employees, Tenants, Community, Contractors, Service providers, Customers, Government regulators, Farmers
Management Approach to Impacts	
<p>VistaREIT shared the responsibility of practicing effective waste management with its tenants and service providers in the belief that the shared roles made all key stakeholders accountable in ensuring overall efficient operations while reducing disposal costs through recycling.</p> <p>Segregation at the source is encouraged for all the mall and BPO tenants. Each segregated waste is hauled by a waste disposal contractor to the proper facilities. Tenants are expected to strictly follow the trash bag color coding to prevent mixing of wastes.</p> <p>Recyclable wastes, such as cartons, papers, and tarpaulins, are sent to Materials Recovery Facilities (MRFs), which are then sorted out and sent to buyers (e.g., junk and scrap buyers). All tenants are mandated to avoid using single-use plastics in packaging purchases in compliance with the local ordinances banning the use of such plastics.</p> <p>Reusable wastes are diverted as materials for other projects. For instance, plastic gallons are reused as plant boxes, printing documents on scratch papers, old cartons as storage boxes for other smaller items, among others.</p> <p>Some of the food wastes from the malls are composted. The wastes are transported to composting facilities of the Villar Foundation which would be processed as fertilizers that will be used by farmer-beneficiaries.</p> <p>VistaREIT also ensures that all hazardous wastes are properly identified, characterized, stored, and transported, according to government regulations. To track the waste that was collected by a third- party hauler, the building admins ask for a certificate for hazardous waste disposal. There are deployed officers who track the activities of any third-party contractors and report them to the administration.</p>	

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Risks	Stakeholders Affected
<p>The improper disposal of materials and other resources increases waste generation which pollutes the environment. The risk increases with the hybrid way of working in 2023 that saw an increased foot traffic in the malls and the once vacated BPO spaces seeing employees on site.</p> <p>VistaREIT practices that having an effective solid waste management system also promotes an environment that is free from pests and unsanitary areas that may cause illnesses. Additionally, Solid Waste Management promotes compliance with the regulations and is a plus factor for incoming tenants.</p> <p>To track progress, identify and address gaps in its waste management process, VistaREIT regularly monitors its collected waste volume via manual tracking and visual confirmation while referencing the hauling data and estimations based on garbage truck capacity. This effort is vetted by haulers' own reports on their monthly solid waste collection.</p> <p>The Company's waste management policy is regularly communicated to the employees, tenants, and service providers through announcements of house rules, memos, signages on trash bins, emails, and letters.</p> <p>To monitor the compliance of all parties, officers are deployed to conduct surprise inspections and impose penalties and violation tickets to those parties who are non-compliant.</p>	<p>Employees, Tenants, Community, Contractors, Service providers, Customers, Government regulators</p>

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	2023	2022
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	0
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0
No. of cases resolved through dispute resolution mechanism	0	0

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Impact	Stakeholders Affected
VistaREIT secure the environmental permits, including environmental compliance certificate and drainage permit for the sewage treatment plants, from the appropriate government agencies prior to any land development activity. As of 2023, the Company's retail and business process outsourcing (BPO) operations comply with all local and national environmental regulations. There are no fines and sanctions on record due to non-compliance with environmental laws and regulations in 2023.	Employees, Community, Government regulators
Management Approach to Impacts	
Each of the Company's retail and BPO operations has its own Pollution Control Officer (PCO), who oversees ensuring stakeholders' compliance to all environmental regulations.	
Risks	Stakeholders Affected
Environmental laws and regulations are set with important parameters that impede pollution and protect public health. Not complying with these laws may cause delays in proceeding with the projects and may impose risks to the environment and to the health of the communities.	Employees, Community, Government regulators
Management Approach to Risks	
<p>VistaREIT takes a proactive approach in partnership with its tenants in ensuring compliance with Clean Air Act, Clean Water Act, Ecological Solid Waste Management Act, and others by maintaining efficient operations and continuous study of potential technologies to lessen environmental impact.</p> <p>Regular communication on company policies and guidelines is implemented to sustain this commitment. Among these policies and guidelines are the ban of single-use plastics, construction/fit out guidelines wherein the specification of lighting fixtures needs to be uniform with the building requirements, and the switching off of all facilities and equipment after small hours.</p>	
Opportunities and Management Approach	Stakeholders Affected
VistaREIT will continue to promote, implement, monitor, and invest in environmentally friendly practices to manage energy, water, and waste within the organization.	Employees, Tenants, Community, Contractors, Service providers, Customers, Government regulators

SOCIAL DISCLOSURES

Employee Management

Employee Hiring and Benefit

Employee Data	2023	2022
Total number of employees	33	29
Number of female employees	11	12
Number of male employees	22	17
Attrition rate ⁶	12.90%	3%
Ratio of lowest paid employee against minimum wage	1:1	1:1

Employee Benefits

List of Benefits	2023			2022	
	Y/N	% of female employees who availed	% of male employees who availed	% of female employees who availed	% of male employees who availed
SSS	Yes	18%	4.5%	33%	24%
PhilHealth	Yes	36%	19%	33%	12%
Pag-IBIG	Yes	0%	4.5%	0%	6%
Parental leaves	Yes	9%	9%	17%	12%
Vacation leaves	Yes	54%	90%	100%	100%
Sick leaves	Yes	42%	47%	42%	47%
Medical Benefits (aside from PhilHealth)	Yes	54%	90%	33%	35%
Housing assistance (aside from Pag-IBIG)	Yes	100%	100%	100%	100%
Retirement fund (aside from SSS) ⁷	Yes	100%	100%	100%	100%
Further education Support	Yes	0%	0%	0%	0%
Company stock Options	Yes	100%	100%	100%	100%
Telecommuting	No	0%	0%	0%	0%
Flexible-working Hours	No	0%	0%	0%	0%

⁶ Attrition rate = (no. of new hires – no. of turnover)/ (average of total no. of employees of previous year and total no. of employees of current year)

⁷ The Company has a noncontributory defined benefit pension plan covering substantially all its regular employees. The benefits are based on current salaries and related compensation on the last year of employment. For 2022, none has availed of this benefit as no one retired for the mentioned year.

Diversity and Equal Opportunity

Disclosure	2023	2022
% of females in the workforce	33%	41%
% of males in the workforce	67%	59%
Number of employees from indigenous communities and/or vulnerable sector ⁸	0%	0%

Impacts and Management Approach

The executive officers of the Company are seconded from other companies in the Vista Land Group. The employees of VProperty Management, Inc. (“Property Manager”) are responsible for supervising, managing, leasing, operating and maintaining the Properties pursuant to the terms of the Property Management Agreement. The employees of VFund Management, Inc. (“Fund Manager”) are responsible for implementing the Company’s investment strategies and managing its assets. As such, the Company did not directly hire its own employees. In addition, certain administrative functions such as IT, legal and accounting support are provided by the Vista Land Group.

VistaREIT believes that its employees are its most valuable assets and that they should be well-cared for while under its employment and within its premises.

The Company takes pride in being an Equal Opportunity Employer. It does not discriminate against its employees based on personal characteristics, including gender orientation. Its recruitment policy encourages hiring employees from different backgrounds, regardless of race, culture, and other personal traits. Moreover, the Company recruits from different areas in the country to ensure that it has reach a broader pool of candidates.

VistaREIT continues to exclude gender requirements in posting job advertisements to encourage both male and female applications. Older workers at a higher risk for work- related injuries are protected through expanded disability and health insurance. Telecommuting was made available, and shuttle services were provided to those who reported in the offices and malls. The Company implemented extended health programs via the Health Maintenance Organization (HMO) provider and other partner establishments.

New Hires and Turnovers

There was a slight drop in the number of resignations from 11 in 2022 to 9 in 2023. Most resignations were due to new opportunities in companies that offered Hybrid or Work from Home set-up. New Hires were mostly sourced from LinkedIn and Social Media ads.

VistaREIT continues its strong efforts of retaining employees by ensuring that new hires are provided with an extensive onboarding procedure to guarantee that they are well equipped before deployment to their respective assignments. This testifies how VistaREIT gives priority to the employees amidst the pandemic.

⁸ These are employees who are aged above 50 years old.

Benefits

The competitive salary package ensures that the employees continue to strive to improve their skills. At the start of employment, recruiters explain to new hires that the salary increments are based on performance, which drives the employees to continue and do better. Regular benefits like bonuses and health insurance were retained, along with performance evaluations to make sure employees were being fairly compensated.

Additional benefits on top of the government-mandated benefits are also provided that includes ample leave credits, health care cards, annual performance reviews, annual salary appraisals, employee career growth plans, training, seminars, etc. Long-term incentives like housing assistance and retirement plans are provided to qualified employees only.

Risks and Opportunities

The Property and Fund Manager acknowledges risk in hiring and retaining personnel. Identified issues that can rise include negatively impacting VistaREIT's capacity to undertake project design, planning, and execution activities within the Company. If this occurs, the Company will be forced to engage third-party consultants that may require additional costs.

As the offices started to welcome back employees, some left for jobs that offer work-from-home arrangements, having experienced the advantages of at-home work. The current hybrid work arrangement will also require some work-around time and adjustment period for all concerned.

The Company ensures proper workplace succession by implementing job rotations and providing training programs to its employees.

They observed that most of the workforce are young professionals, with an average age of 28.9. The Company, therefore, also considers attracting employees within this age group to achieve organizational goals and targets.

Management Approach to Risks and Opportunities

Property and Fund Managers continuously evaluates its policies and procedures in hiring and retaining employees, including compensation and benefits offered, training, and career growth paths.

To ensure proper workplace succession, one method of candidate development includes job rotations within the organization that give key performers opportunities to gain experience in other departments. In addition, the Company provides management education and mentoring through leadership training and management development programs. Performance appraisal is another tool/method to ensure proper workplace successions.

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Employee Training and Development

Disclosure	2023	2022
Total training hours	132	216
Female employees	44	44
Male employees	88	172
Average training hours	11	16
Female employees	3	8
Male employees	7	24

Impacts and Management Approach

Building internal capacity through training and development activities increases employee satisfaction and motivation. Property and Fund Managers believe employees feel appreciated and more valued whenever they are included in the training sessions. And the experience proved to be an excellent incentive in increasing employees' capacity to deliver and while promoting innovation and creativity.

Property and Fund Managers partner with affiliate Vista Center for Professional Development in providing training needs of employees. Part of the training program is courses for Personality Development (Image Enhancement, Business Communication) and Technical Skills Development.

A standard Performance Evaluation Form is used to evaluate their employees on an annual basis. This process enables the company to rate employees based on their knowledge of their jobs and their compliance to Company values, among other considerations. The generated results are used by management as reference for determining the employees' promotions and salary increases.

Risks and Management Approach

Lack of training among employees may result in unsatisfied employees with stagnant skills.

The previous year has made it difficult to stage training for employees as all activities must be conducted virtually. Though the Company established virtual meetings and training, participants' attention spans for these are shorter as compared to pre-pandemic levels.

They also shifted to online-based courses to ensure training, learning, and development while adjusting to the New Normal way of doing business.

Opportunities and Management Approach

Property and Fund Manager employees who have done exceptional work in their respective fields are duly recognized. The Company provides merit increases and promotion to the next rank to deserving employees regardless of age or tenure. Employees also receive salary increments, travel incentives and/or promotions to the next rank based on performance evaluation.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	2023	2022
Safe Man-Hours	2,064	2,064
No. of work-related injuries	0	0
No. of work-related fatalities	0	0
No. of work-related ill-health	0	0
No. of safety drills	2	5

Impacts and Management Approach

Property and Fund Managers prioritize the health and safety of its employees, especially those required to report to the malls and offices. They reported zero cases of work-related fatalities and injuries in 2023.

The Department of Labor and Employment requires organizations to have an Occupational Safety and Health (OSH) committee and policy. Therefore, Property and Fund Managers and the Health & Safety Committee take charge of maintaining documentation of the Company's health and safety policies.

The Health and Safety Policy covers the following:

1. Incident reporting;
2. First Aid Treatment;
3. Emergency Management;
4. Return to work policy; and
5. Safe Work Procedures

Safety policies and any other additional measures are communicated to employees through email blasts and memorandums posted on the bulletin board of offices, as well as discussions during staff meetings and social media platforms.

There is a formal joint management-worker health and safety committee. Its responsibility is to ensure proper communication and coordination of safe work procedures and policies between workers and employers. The committee is authorized to make decisions in terms of health and safety. Once every three months, the members meet.

Risks

The Villar Group gives priority to actions that will safeguard the health and safety of its workforce in 2023.

Work-related hazards that include fires or explosions, equipment malfunction, trips & slips, and work-related stress are always considered by the Company to be safety risks. Additionally, external events such as natural disasters may also significantly affect the Company's operations.

Management Approach to Risks

Property Manager health and safety committee conducts risk assessments to identify occupational safety hazards and risks.

Additional safety measures have been implemented for COVID-19 prevention. Particularly, employees are required to answer a health survey form daily to ensure they do not experience any symptoms before reporting to the office. Temperature checks, hand sanitizers, and foot baths are also placed at the office entrances. In addition, they rearranged offices to consider physical distancing.

The Property Managers present the minutes of the meeting of the OSH committee to an external inspector from the Department of Labor and Employment to check for completeness and correctness. These are used to determine appropriate ways to eliminate the hazard or control the risk when the Company cannot eliminate the hazard. Aside from signages, the committee conducts collaborative meetings to review existing policies on risk reduction.

Employees are encouraged to relay any work-related hazards to their assigned safety officer or the Human Resources Department (HRD). Work-related incidents are investigated through witness testimonies and CCTV footage, if available. They also review work-related incident reports and determine the severity of these incidents to develop preventive actions. The senior management officer determines the severity of the situation and instructs the Human Resources Department to coordinate the order with the division head or officer-in-charge of the affected area/s.

The Property and Fund Managers' occupational health services include pre-employment assessment and employee wellness. In addition, they have clinics with an Emergency Response Team present to provide employees and customers with any emergent health crisis. Employees can have teleconsultations through its accredited HMO provider. In addition, employees can access it through its partner HMO website and self-help kiosk. This helps identify the common illnesses among employees and if there are any work-related issues. The pre-employment assessment is an additional preventive measure in keeping the workplace safe. Accredited partners provide these that employees easily access. The On-Site Annual Physical Exam is done in our malls to ensure that everyone will be able to attend.

Property Managers send representatives for Basic Occupational Safety & Health Training and First-Aid Training. In addition to the standard training requirements of each department, training needs are also identified through the annual performance evaluation of employees. This evaluation identifies the employee's level of competency and knowledge and the training program that will complement these. BOSH training was provided for the selected safety officers per area, while they provided the PCO training for the lead engineer in the mall.

Annual Fire and Earthquake Drills are also participated by employees to ensure preparedness for a disaster. As of 2023, there were two runs of drills participated.

The management, safety committee, and other relevant departments work through strict coordination to ensure that risks are minimized. There is scheduled preventive maintenance to make sure that all equipment is properly working. Signages are put in place to keep employees cautious.

There are internal/external audits conducted on safety. These are conducted annually by DOLE and the Bureau of Fire Protection. Internal/External Audits are done through area inspection and drills.

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Opportunities
<p>The Property and Fund Managers believe that trained employees have a strong sense of confidence brought on by the added knowledge and built skills. This also builds capacity for the talent pool to properly utilize health safety protocols adopted during the various phases of pandemic restrictions.</p> <p>They are committed to continually improve its occupational safety management system to ensure safe and healthy workplaces for its employees.</p>
Management Approach to Opportunities
<p>The use of telemedicine is also encouraged to ensure employees can conveniently receive medical advice as needed. Employees are required to use the Vista Health App– a mobile app developed by the Villar Group so the Company can easily monitor employees with symptoms and refer them to telemedicine. Sanitizers, masks, and foot baths have also been in place within the premises since the start of the pandemic.</p> <p>The Property Manager also provides non-occupational medical and healthcare services to employees upon the regularization of their tenure. These range from consultations, laboratory tests, confinement, and minor and major procedures. Other health risks being addressed are Tuberculosis, Hepatitis B, and HIV-AIDS</p> <p>Employees can also teleconsult through the company's accredited HMO provider's website or self-help kiosk.</p>

Labor Laws and Human Rights

Disclosure	2023	2022
No. of legal actions or employee grievances involving forced or child labor	0	0

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g., harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	Adherence to General Labor Standards (GLS)
Child labor	Y	Adherence to General Labor Standards (GLS)
Human Rights	Y	Article A Section 1-7 of the Company's Code of Conduct and Discipline (Offenses Against Person)

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Labor-Management Relations

Disclosure	2023	2022
% of employees covered with Collective Bargaining Agreements	0	0
Number of consultations conducted with employees concerning employee-related policies	0	0

Impacts and Management Approach

The Property and Fund Managers remain compliant with the different labor laws and regulations. There are no recorded cases of violation of human rights in 2023. They have no collective bargaining agreements with its employees and none of the employees belong to a union.

They recognize the risks of having an unhealthy work environment due to non-compliance with labor laws and human rights. These may result in fines and sanctions imposed by the government. Moreover, strikes, work stoppages, work slowdowns, grievances, complaints or claims of unfair practices or other deterioration in the its employee relations may negatively impact employees' productivity and its reputation.

Property and Fund Managers have high regard for its human resources and in turn, expects its workforce to deliver based on agreed targets as aligned to the mission of the organization. The Company facilitates company-sponsored activities and performs annual performance reviews to keep its employees informed and to monitor their progress.

Various platforms such as surveys, focus-group discussions, regular staff meetings, and coordination meetings are made available to encourage employees' participation. Open forum is seen as an opportunity for management to receive suggestions and other feedback from employees and vice versa. Regular values sessions are also conducted per department wherein Company values are reiterated and employees communicate their concerns.

The Human Resources Department (HRD) is tasked to welcome, accommodate, and address the concerns of the employees. Any complaints received pertaining to discrimination will be dealt with promptly and with fairness.

The HRD will investigate based on the incident report, testimony of the witnesses, and other evidence related to the commission of the offense. Employees are protected by the Whistle Blowing Policy so they can freely communicate their concerns without fear of retaliation. Employees are also empowered with direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.

All employees are assured that their concerns are dealt with confidentiality and professionalism. The Property Manager investigates the reported incident. Once vetted, the management and/or HRD will conduct the appropriate disciplinary action and will closely monitor the agreed resolution, if needed. This due process is based on its Employee Code of Conduct and Discipline.

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The policy states specific disciplinary actions towards offenses of discrimination, equivalent to separation. Article A Section 1-7 of the Company's Code of Conduct and Discipline (Offenses Against Person) states that any infraction of the Company rules and regulations shall give rise to appropriate disciplinary action that can range from a Written Warning, Suspension, or Dismissal. This is given after due process. The policy also noted that the Company does not encourage any act of insult, disrespect, or rudeness of employees.

The Management through the HRD ensures that the policy is relayed to all employees and stakeholders through orientations and onboarding sessions of new hires.

Any complaints received as related to perceived discrimination will be dealt with promptly and with fairness. As with other offenses, HRD will investigate based on the incident report, testimony of the witnesses, and carefully review other evidence related to the commission of the offense. If needed, a subject matter expert will be consulted to validate the information received. Once a resolution is formed, it is implemented, and the entire process is closely monitored. All employees shall be given due process before implementation of the sanction, if applicable.

The HRD and department heads are encouraged to keep their communication lines open to secure employees about reporting their concerns to the correct authority.

Property and Fund Managers encourage workers to respect each other's differences and promotes the corporate core value. They conduct human capital risks assessments through the quarterly review of the existing manpower and employee rankings. The senior management is tasked to monitor employee performances in meeting business goals.

Supply Chain Management

VistaREIT has a supplier accreditation policy that considers the following sustainability

Topics:

Topic	References in the company policy
Environmental performance	Purchasing Policies and Procedures Section II (Policy Statement) Section III (Procedures) OPC-PD-001b – Supplier Accreditation
Forced labor	
Child labor	
Human Rights	
Bribery and corruption	

Impacts and Management Approach

All suppliers are required to undergo the Company's accreditation process which reviews their experience in the industry, financial capability, resources, and track record of adhering to quality, cost, and time of completion commitments. To date, VistaREIT has identified no significant environmental and social impacts of suppliers that may impact the supply chain. No suppliers were blacklisted in 2023.

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The Purchasing group facilitates the accreditation process. The Internal Audit Team rated the suppliers using score cards. ratings are heavily referenced from the following:

- updated financial statements
- previous and existing contracts/projects
- manpower
- offices
- coverage of service

The prospective suppliers' environmental and social impacts are checked and evaluated based on certifications and required permits that were secured for their previous and existing projects. The suppliers are also tested for their ethical business practice and their capacity to adhere to the Philippine laws.

Risks and Management Approach

VistaREIT's supply chain faces various risks, such as: price fluctuations of materials (e.g., steel, cement, and other raw materials for construction), changing regulations, and labor shortages.

To mitigate risks of labor shortages, VistaREIT employs the services of local contractors in its various host communities. This back up plan also serves to strengthen ties with the local neighborhoods.

The in-house Purchasing Group is responsible for searching, selecting and accrediting suppliers. The group negotiates lock-in prices for an agreed period of time and manages the level of materials inventory. Materials are ordered by bulk to get the maximum discounted price for common requirements.

Online meeting platforms are used to connect with suppliers for negotiations and other transactions. Suppliers are asked to submit pictures of their offices for the Company to review and assess while actual visits are limited. Through constant research and foreign travels for benchmarking; Suppliers undergo a thorough accreditation process that includes background investigation, submission of complete and updated financial documents and the necessary government permits and certifications, company and plant visits, and other pertinent inquiries.

For suppliers who were identified as non-compliant, VistaREIT address such issues by:

- providing timelines for those who failed to meet the quality and specifications of the Company. If the timeline is still not followed, VistaREIT has the option to cancel the contracts.
- issuances of letters of delay that indicate the grace period for suppliers to resolve the issue. If the grace period has passed and the issue is still not resolved, the Companies will impose penalties as stipulated in the contracts.

Opportunities and Management Approach

The Villar Group's procurement teams are wont to synergize as good business practice. This win-win move ensures a better negotiation edge of the collective block for key goods and services.

VistaREIT will continuously provide the necessary training and development opportunities for employees to improve their skills as procurement professionals.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant impacts on local communities	Breastfeeding stations
Location	All malls
Vulnerable groups ⁹ (if applicable)	Women, mothers
Does the particular operation have impacts on indigenous people?	No
Collective or individual rights that have been identified that or particular concern for the Community	Right to have a designated breastfeeding area for lactating mothers.
Mitigating measures or enhancement measures	Dialogue with the communities on their needs.

Operations with significant impacts on local communities	Terminal/Transport Hubs
Location	SJDM, SOMO
Vulnerable groups (if applicable)	Children, youth, and elderly
Does the particular operation have impacts on indigenous people?	No
Collective or individual rights that have been identified that or particular concern for the community	Right to have the highest standard of living by providing access to transportation.
Mitigating measures or enhancement measures	Traffic management on terminals.

⁹ Vulnerable sectors include, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

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Operations with significant impacts on local communities	Designated access to ramps, elevators, comfort rooms for PWD, waived parking fees and government mandated benefits for Senior Citizens.
Location	All malls
Vulnerable groups (if applicable)	PWD, Senior Citizens

Does the particular operation have impacts on indigenous people?	No
Collective or individual rights that have been identified that or particular concern for the community	Right to have the highest standard of living by providing access to goods and other necessities.
Mitigating measures or enhancement measures	Ensure cleanliness, orderliness and safety.

Operations with significant impacts on local communities	Eucharistic celebrations
Location	Talisay, Tanza, SOMO, SJDM
Vulnerable groups (if applicable)	Children, youth, and elderly
Does the particular operation have impacts on indigenous people?	No
Collective or individual rights that have been identified that or particular concern for the community	Right to have access for local eucharistic gatherings.
Mitigating measures or enhancement measures	Crowd control and accurate scheduling.

Operations with significant impacts on local communities	Free venue for school events
Location	GenTri, SJDM
Vulnerable groups (if applicable)	Children, youth
Does the particular operation have impacts on indigenous people?	No
Collective or individual rights that have been identified that or particular concern for the community	Right to have access for local venues.
Mitigating measures or enhancement measures	Crowd control and accurate scheduling.

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Operations with significant impacts on local communities	Venue for vaccination, PSA National ID
Location	GenTri, SJDM
Vulnerable groups (if applicable)	Children, youth, and elderly
Does the particular operation have impacts on indigenous people?	No
Collective or individual rights that have been identified that or particular concern for the community	Right to have the highest standard of living by providing access to goods and other necessities.
Mitigating measures or enhancement measures	Crowd control and accurate scheduling.

Operations with significant impacts on local communities	Free use of playground, football field
Location	Antipolo, GenTri, SOMO
Vulnerable groups (if applicable)	Children, youth
Does the particular operation have impacts on indigenous people?	No
Collective or individual rights that have been identified that or particular concern for the community	Right to have the highest standard of living by providing access to goods and other necessities.
Mitigating measures or enhancement measures	Crowd control, safety and proper maintenance.

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certificate Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: **N/A**

Impacts and Management Approach
<p>In keeping with the Company belief that its business success is reliant on the level of progress and growth of its host communities, VistaREIT ensures its stakeholders are given priority in job opportunities while sustaining local business which in turn generates increased taxes for the government.</p> <p>VistaREIT also sustains its community relations by conducting regular monthly engagements with its stakeholders, keeping them updated with news and developments including seasonal marketing activities. The malls' locations which are in strategic proximity of key public transport terminals and community developments while housing retail outlets and other essential stores such as supermarkets and drug stores also bring the extra benefits of ready access to shoppers.</p>

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VistaREIT takes part in tackling the transportation challenge with an “all-hands-on-deck” mindset by firming up the partnership between its malls and its transport company through Metro Express (MEX) Transport. This partnership resulted in having point-to-point buses and jeepneys to select branches of VistaREIT to cater to the malls’ customers, tenants, and employees.

As the Company expands its reach across the country, it fosters its mission to enhance and enrich the retail experiences of the modern mall rats. The mall is also the preferred event site for various trade and lifestyle events with strategic partners such as various government agencies to retail brands promotions in celebration of various holidays.

This strategy was encouraged in all VistaREIT properties with marketing events in 2023 carefully curated to encourage new levels of convergence, experience, and grandeur for their diverse markets. The malls also participate in annual green initiatives and educational campaigns such as the 2023 Earth Hour. Aside from dimming the mall lights for one hour, properties such as Vista Mall Tanza and Starmall San Jose Del Monte held a Neon Carnival Fest and a Neon Dance Party respectively.

The Company also supports government initiatives that need to reach out to the public. VistaREIT partnered with the Philippine Statistics Authority (PSA) for registration for the Philippine identification (ID) system or the national ID. The national ID aims to boost efficiency, especially in dealing with government services where people only need to present the PhilID during transactions

Vista Mall and Starmall from where the malls and offices came from, founded the Give Hope Project as the flagship program for our Corporate Social Responsibility arm.

Free COVID tests were administered to employees with symptoms, and teleconsultation was made available through the help of our partner HMO.

Customer Management

Customer Satisfaction

Sites	Did a third party conduct the customer satisfactory study?	Customer Satisfaction Score	
		2023	2022
SJDM	Yes	4.6	4.6
Talisay	Yes	4.4	4.3
SOMO	Yes	4.7	4.6
GenTri	Yes	4.5	4.4
Tanza	Yes	4.6	4.6

Impacts
<p>VistaREIT’s strategic locations have affirmed its reputation as a reliable transport hub for commuters. Public transportation includes point-to-point buses, public buses, jeepneys, and taxis.</p> <p>Operating in an industry easily influenced by a fickle and demanding market, the Company adopted several approaches to gather inputs from customers on their perceptions and satisfaction levels vis-à-vis the malls’ overall appearance, operations, cleanliness, activity areas and quality of partner-establishments. One such resource tapped in 2023 is a year-long weekly survey through Google reviews. The Google results were supplemented by a quarterly data collection from an online panel survey which aimed to monitor incidence check on retail establishments at a brand level. Both digital options were sustained given their resource-saving benefits and faster data collection versus the pre-pandemic face to face interviews VistaREIT used to rely on.</p>
Management Approach to Impacts
<p>Prompted by its latest customer survey results for a wider and later dining and shopping selection, VistaREIT sustained its efforts to upgrade the tenant mix by continuously bringing together both affiliate and non-affiliate brands in mall spaces while maintaining its standard of premium shopping facilities and services.</p> <p>VistaREIT affiliates such as AllDay supermarket and AllHome improvement store and other AVG brands have launched online shops where customers can purchase their desired items and have them delivered to their doorsteps. The very first self-checkout counters in one of our AllDay supermarkets, which was also recognized as the very first of its own in the Philippines.</p> <p>VistaREIT’s vision of premium shopping experience is embodied in the way it renovated its malls, purposely accenting architectural structures and new tenants blending well with the usual AllValue affiliates. Mindful of the rise of pet ownership spurred by pandemic lockdowns in recent years, the Company planned more al fresco dining spaces to attract this growing niche market. VistaREIT continued to bring in new retail concepts based on international retail trends to ensure local shoppers are updated on the latest and best products and services.</p> <p>VistaREIT also sustained its personalized and convenient services through its personal shoppers, curbside pick-up service, and accommodating various delivery partners. The management continues to strive hard to provide excellent customer service by making the shopper's experience more convenient and seamless.</p>
Risks and Management Approach
<p>As more and more people begin to shop without wearing masks with the easing of pandemic restrictions, VistaREIT observed that the rise in foot traffic in 2023 brought with it a growing hungry for a bigger variety of physical stores and dining options, cooler air conditioning, more parking spaces and additional comfort rooms especially for female shoppers. Declining interest was seen in facilities related to kids, pets, benches, and automated teller machines (ATMs).</p> <p>Traffic on routes and communities in proximity to the malls were also pointed out but were issues beyond management’s control.</p>

Opportunities and Management Approach

VistaREIT is keenly aware that first impressions and pleasant surroundings have a resounding impact on the modern-day shopper. It is for this reason that the Company remains focused on the continuous improvement in the design and structure of its existing and upcoming malls.

The Company's malls are built in proximity to villages and subdivisions, with good air-conditioning systems, world-class cinemas, beautifully designed and with a warm and cozy mall ambience.

VistaREIT makes sure to have a complete mix of tenants to create a one stop shop experience for the customers. The Company's malls meet international standards for retail establishments.

Health and Safety

Disclosure	2023	2022
No. of substantiated complaints ¹⁰ on product or service health and safety	0	0
No. of complaints addressed	0	0

Impacts

During the 2023 reporting year, the Company has received no complaints. VistaREIT maintains an open communication for any concerns or complaints relating to the health and safety of its customers.

The Company recognizes the importance of effective communication and has taken a proactive stance in the resolution of any issues that may affect its varied stakeholders.

Management Approach to Impacts

With the reopening of the economy, customers have commended the VistaREIT's adherence to health and safety protocols. For example, mall goers have raised a clean and well- sanitized comfort room as a concern. In line with this, VistaREIT has always ensured that comfort rooms were properly manned by well-trained housekeeping personnel to maintain cleanliness and sanitation. In addition, antibacterial hand soap, sanitized hand dryers, bidet, and toilet tissue are provided for customers. Furthermore, an antibacterial air freshener is installed to kill airborne bacteria and maintain a fragrant odor.

Another concern was instilling overall awareness in mall goers regarding what to do when natural disasters (such as earthquakes or fire) occur. To answer this, VistaREIT conduct quarterly evacuation drills with the mall's Emergency response team, the City Disasters Risk Reduction Management Council, and the participation of mall goers and mall employees and tenants. In addition, well-lit evacuation plans are installed in crowded areas so customers can easily identify where the nearest exits are when these incidents happen.

¹⁰ Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Risks
<p>The Company maintains its safety protocols in recognition of the continued, albeit lowering, threat of Covid and its variations to customers and employees.</p> <p>Other identified risks to VistaREIT and its stakeholders include exposure to the dangers of natural calamities.</p>
Management Approach to Risks
<p>The corporate brand of VistaREIT is to bring convenience shopping to a higher level, well capable of being compared to its international counterparts. This points to the remarkable efforts and investments allocated by the Company in the upkeep and overall maintenance to keep the malls to this standard.</p> <p>The health and safety of customers and employees remain a top priority for VistaREIT. The Company ensures that health and safety risks concerning the pandemic would be well managed on its premises. Cleaning agents (chemicals) have been a go-to in disinfection procedures. Trained medical teams are on standby to handle first aid procedures in emergencies. Mall clinics also provide support for emergencies and are connected with hospitals nearby for other medical emergencies that the in-house clinics cannot treat.</p> <p>Health and safety protocols remain in place even with the easing up of Covid protocol restrictions. The existing sanitation and security procedures include but are not limited to the following:</p> <ul style="list-style-type: none"> ● Regular disinfection of common areas; ● Ultraviolet sterilization of escalator handrails; ● Disinfection of elevator buttons, ATMs, and other high contact areas every 30 minutes; ● Availability of alcohol and hand sanitizer dispensers at mall entrances and common areas; ● Implementation of passenger capping at elevators (floor stickers are installed to help guide customers); ● “3-Step Rule” for escalators (customers should be three steps apart when using the escalator); ● Hourly sanitation of comfort rooms, mall clinic, and breastfeeding & pumping station (including door handles, locks, faucet, and other high-contact areas); ● Provision of trash bins for face mask and glove disposal; and ● Separate doors for entry and exit. ● Air conditioning is regulated to 24 centigrade until further notice. ● Free mall Wi-Fi is disabled for the time being. <p>These initiatives are strictly being implemented and observed in malls nationwide to ensure safety.</p>

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Opportunities and Management Approach

Safety measures and facilities are continuously improved to prevent any health-related concerns. Even as the pandemic changed the way customers shop and dine, VistaREIT must maintain a clean and safe environment for its customers. Therefore, VistaREIT observe the government-mandated safety protocols nationwide in all its malls to guarantee a safe transition to the new normal.

Marketing and Labeling

Disclosure	2023	2022
No. of substantiated complaints on marketing and labelling	0	0
No. of complaints addressed	0	0

Impacts

No significant impact was identified by the Company in 2023 due to zero substantiated complaints on its varied marketing and promotional efforts which included but were not limited to seasonal activities, artist mall shows, children's events, movie and album mall tours, product launches, and other events in partnership with local schools and government units.

Management Approach to Impacts

Meetings with sales and marketing teams are consistently conducted to ensure that the Company is up to date with the latest trends in the retail market, both locally and internationally. Navigating through the pandemic, VistaREIT maximized the use of social media and websites to stay in touch with its customers. Dissemination of information on activities, products, services, and promos is also being done through the Company's social media accounts.

Risks

Given that VistaREIT is a service-based organization, the work from home arrangement is not applicable due to the need for actual inspection of mall premises and equipment.

Management Approach to Risks

The Company remains sensitive to customer needs and always keeps up with the constant changes of trends in the local and international retail industry. This includes trends in tonality, designs, and even types of activities to implement to suit the market's taste.

Opportunities

The Company has been receiving requests from local community leaders regarding conducting events in VistaREIT. In response, the Company is looking into venturing more into events and promotions that directly connect to its community.

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Management Approach to Opportunities

Each VistaREIT branch has its designated marketing team that handles mall promotions and close coordination with the community. Having a designated team for each branch helps the branches grasp what the customer needs and be able to address them promptly and accurately.

Customer privacy

Disclosure	2023	2022
No. of substantiated complaints on customer privacy	0	0
No. of complaints addressed	0	0
No. of customers, users, and account holders whose information is used for secondary purposes	0	0



Data Security


Disclosure	2023	2022
No. of data breaches, including leaks, thefts and losses of data	0	0

Impacts and Management Approach
<p>In 2023, VistaREIT had no reported cases or complaints regarding customer privacy. Moreover, there were no data breaches reported in the same year.</p> <p>Its processes are in line with the Data Privacy Act. In addition, its Data Privacy Officers regularly attend training and seminars accredited and organized by the National Privacy Commission.</p> <p>In VistaREIT, Privacy Impact Assessments for all systems are completed and updated yearly. Results from these assessments are then submitted to management for their reference.</p> <p>Simultaneously, the IT group has a standard procedure for all suppliers to ensure they follow the privacy policies when working on projects.</p> <p>There is an existing Privacy Manual wherein the most salient points are then disseminated to officers, employees, third-party providers, and professional advisors of Vista Land and Lifescapes—the parent company, through regular offline and online briefings.</p> <p>Changes, recommendations, and updates concerning data privacy legislation, rules, regulations, and policies regarding privacy are being monitored by DPO and COPs.</p> <p>More than just a statement, historical data shows that data security has always been a priority issue in VistaREIT.</p>
Risks
<p>Potential risks to data security include but are not limited to data breaches, leaks, thefts, and losses of data. Digitally translated services, marketing, and other transactions require customers to share their personal information, thus putting the responsibility on VistaREIT to strengthen their customer privacy measures to control any incident or leaks of customer information.</p>
Management Approach to Risks
<p>The Company ensures that data security management is established and practiced adequately. Regular inspections on policy form inclusion, physical and electronic storage, processing, and disposal of data are implemented within the Company. In addition, necessary updates are being done continuously to be prepared for evolving threats to data security.</p>
Opportunities
<p>VistaREIT continues to strengthen its online presence and use of new digital tools to reach out to customers. With that, strengthening its data security infrastructure is an ongoing initiative of VistaREIT.</p>
Management Approach to Opportunities
<p>See Management Approach for Customer Privacy.</p>

Contribution to the UN SDGs

VistaREIT as a commercial, office, and business process outsourcing (BPO) development business, primarily contributes to the following global goals.

Societal Value / Contribution to UN SDGs	<div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div></div></div> <div>SDG 7: Affordable and Clean Energy<p>VistaREIT continuously seeks for feasible renewable energy sources for its malls and BPO spaces. In Pampanga, the mall has been installed with 600 pieces of 455W solar panels and 462 pieces of 555W solar panels. Overall, VistaREIT continuously improves its energy management to ensure efficiency of operations while providing a comfortable shopping experience for the customers.</p></div>
	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div></div></div> <div>SDG 8: Decent Work and Economic Growth<p>VistaREIT provides employment opportunities to surrounding communities where the Company operates. This is done either through direct employment in property management and operations; or indirectly through contractual partners, and our tenant establishments that occupy spaces in buildings. The Company also contributes to decent work and economic growth through promotional spaces in our activity centers. The Company indirectly provides economic growth to the LGU where it has operations. Growth comes from through tax payments to the LGU, activity partnerships in its commercial spaces and activity centers, and other related initiatives.</p></div>

	<div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div> <div><div>SDG 9: Industry, Innovation and Infrastructure</div><div><p>VistaREIT’s operations contribute to bringing goods and services closer to the local communities where they operate, and encourages small- and medium-scale industries to grow and develop in our commercial, office, and BPO spaces. In addition, the Company’s partnership with Villar SIPAG encourages farmers and small industries to develop their initiatives and spur innovation that would lead to lasting positive change.</p></div></div>
	<div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div> <div><div>SDG 11: Sustainable Cities and Communities</div><div><p>VistaREIT’s commercial, office, and BPO spaces encourage sustainable growth in the communities in which it operates, as the Company’s establishments serve as one-stop shops for the needs of its citizens. Amenities that conform to international standards, such as activity centers, indoor playgrounds, shops, movie theaters, and other public spaces, contribute to the development of the community in terms of economic and social integration. In addition, the construction of transport terminals in the Company’s malls contributes to infrastructure improvements in the communities it serves. This means that citizens in the communities where we operate no longer need to travel long distances to get what they need. VistaREIT also contributes to Vista Land’s contribution to SDG 11, through the Communities initiative of integrated urban development.</p></div></div>

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Potential Negative Impact of Contribution	<p>While VistaREIT brings positive impacts to local communities where it operates, it also recognizes that there may be impacts that are deemed unfavorable by the community, particularly to the environment and society. These include:</p> <ul style="list-style-type: none">● Increase of traffic and vehicular pollution in the area● Increase in water and energy demand, impacting overall community demand● High wastewater output, requiring better wastewater treatment capacity and technologies● Decrease in air quality during operational hours● Increase in ambient air temperature within the areas of operation● Potential biodiversity impacts due to the development of buildings
Management Approach to Negative Impact	<p>Adherence to Regulatory Standards</p> <p>VistaREIT fully complies with the environmental standards and regulations set by DENR, the LGUs, and other agencies, to mitigate the effects of pollution and climate-related impacts in its operations.</p> <p>Investments in technology</p> <p>VistaREIT is investing in improving its wastewater treatment facilities in its facilities and is looking into renewable energy as a way to reduce mainstream power consumption.</p> <p>Transport Terminal Development</p> <p>VistaREIT continues to develop transport terminals within the vicinity of its malls to reduce the burden of traffic in the surrounding communities and provide a means to get from one place to another in a safe and secure manner.</p> <p>Collaboration with Communities</p> <p>Frequent consultations and collaborations within the surrounding communities on their need is something that VistaREIT has been doing for years and will continue to do so in the future.</p>

PART VI – EXHIBITS AND SCHEDULES

Item 15. Exhibits and Reports on SEC Form 17 A

Exhibits

See accompanying Index to Financial Statements and Supplementary Schedules.

The following exhibit is incorporated by reference in this report:

Consolidated Financial Statements of the Company as of and for the year ended December 31, 2023.

The other exhibits, as indicated in the Index to Financial Statements and Supplementary Schedules are either not applicable to the Company or require no answer.

Reports on SEC Form 17-C

The following current reports have been reported by VistaREIT, Inc. during the year 2023 through official disclosure letters dated:

January 18, 2023

Third Quarterly Progress Report

January 27, 2023

2023 Summary Progress Report

February 10, 2023

Three-Year Investment Strategy

March 15, 2023

Amendment of the Reinvestment Plan

April 19, 2023

Approval and Authorization of the Release of the Audited Financial Statements of the Company as of and for the year ended 31 December 2022

April 20, 2023

Declaration of Cash Dividends

May 02, 2023

Annual Report

May 05, 2023

Fourth Quarterly Progress Report

May 19, 2023

Approval and Authorization of the Release of the Unaudited Financial Statements of the Company as of and for the three months ended 31 March 2023

Calling of the Annual Stockholders' Meeting

Declaration of Cash Dividends

July 05, 2023

Results of Annual Stockholders' Meeting

Results of Organizational Board Meeting

July 18, 2023

2023 2nd Quarter Progress Report

August 14, 2023

Approval and Authorization of the Release of the Unaudited Financial Statements of the Company as of and for the six months ended 30 June 2023

Declaration of Cash Dividends

October 17, 2023

2023 3rd Quarter Progress Report

Final Progress Report

November 14, 2023

Approval and Authorization of the Release of the Unaudited Financial Statements of the Company as of and for the nine months ended 30 September 2023

Declaration of Cash Dividends

December 18, 2023

Three-Year Investment Strategy

Reports on SEC Form 17-C, as amended (during the last 6 months)

August 17, 2023

Declaration of Cash Dividends

Annex A

(a) Schedule of Properties as of 30 December 2023

Property and Location	Latest Appraisal ¹	Remaining Land Lease Term	Gross Leasable Area (GLA)	Leased Area	Occupancy Rate
	in Php millions	Years	in sqm	in sqm	%
Vistamall Las Piñas Main	1,221.66	23.25	20,605.02	20,562.08	100%
Starmall Las Pinas - Annex	669.91	23.25	6,227.53	6,145.38	99%
Starmall San Jose del Monte	3,114.48	23.25	35,664.93	34,221.20	96%
SOMO - A Vista Mall	6,923.86	23.25	31,849.91	30,354.40	95%
Vistahub Molino	1,936.51	23.25	15,631.08	15,631.08	100%
Starmall Talisay - Cebu	1,550.75	23.25	19,643.57	19,643.57	100%
Starmall - Imus	591.11	23.25	12,778.45	12,404.93	97%
Vistamall General Trias	1,845.06	18.75	26,638.45	25,589.39	96%
Vistamall Tanza	1,474.40	18.75	25,012.82	23,221.71	93%
Vistamall Pampanga	1,054.07	23.25	25,526.84	24,038.63	94%
Vistahub BGC	3,202.94	-	20,742.42	20,143.14	97%
Vistamall Antipolo	1,720.59	23.25	16,082.93	15,479.01	96%
TOTAL	25,305.34		256,403.95	247,434.52	97%

¹ December 31, 2023

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in

MANABALUYONG CITY on

APR 15 2024

By:


MANUEL PAOLO A. VILLAR
President and Chief Executive Officer


GEMMA M. SANTOS
Corporate Secretary

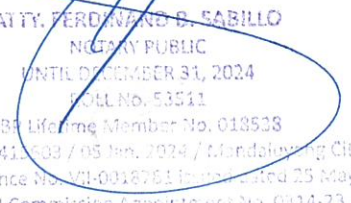

MELISSA CAMILLE Z. DOMINGO
Treasurer, Chief Financial Officer & Head IR


ROWENA B. BANDIGAN
Chief Accountant

SUBSCRIBED AND SWORN to before me this APR 15 2024 at MANABALUYONG CITY, affiants exhibiting to me their respective Passports, to wit:

<u>Name</u>	<u>Passport No.</u>	<u>Date & Place of Issue</u>
Manuel Paolo A. Villar	P4237701B	17 Dec 2019 / DFA Manila
Gemma M. Santos	P0067627C	14 Mar 2022 / DFA Malolos
Melissa Camille Z. Domingo	P7271420B	26 Jul 2021 / DFA Manila
Rowena B. Bandigan	P8621753A	04 Sep 2018 / DFA Manila

Doc. No. 34
Page No. 8
Book No. XXI
Series of 2024.


ATTY. FERDINAND B. SABILLO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
Roll No. 53511
IBF Lifering Member No. 018503
PTR No. 541503 / 05 Jan. 2024 / Mandaluyong City
MCLE Compliance No. MCLE-0018761 Issued 25 May 2022
Notarial Commission Appointment No. 0314-23
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

From: eafs@bir.gov.ph
Sent: Friday, 26 April 2024 3:47 pm
To: Vista One, Inc.
Cc: Accounting Dept - Starmalls
Subject: Your BIR AFS eSubmission uploads were received

Hi VISTA ONE, INC.,

Valid files

- EAFS010510144ITRTY122023.pdf
- EAFS010510144AFSTY122023.pdf
- EAFS010510144OTHTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-PVX3MXR40C7FJ95B5QPX1ZSNY0442QT4N2**
Submission Date/Time: **Apr 26, 2024 03:47 PM**
Company TIN: **010-510-144**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **VISTAREIT, INC.** (the Company) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2023, 2022 and 2021, 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 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.

SyCip Gorres Velayo & Co., the independent auditor 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, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed this APR 15 2024.


JERYLLE LUZ C. QUISMUNDO
Chairman


MANUEL PAOLO A. VILLAR
President & Chief Executive Officer



MELISSA CAMILLE Z. DOMINGO
Treasurer, Chief Financial Officer and
Head Investor Relations

SUBSCRIBED AND SWORN, to before me this APR 15 2024 at MANDALUYONG CITY,
affiants exhibiting to me their respective Passports, to wit:

Name	Passport No.	Date and Place of Issue
Jerylle Luz C. Quismundo	P3177063C	06 FEB 2023 / DFA MANILA
Manuel Paolo A. Villar	P4237701B	17 DEC 2019 / DFA MANILA
Melissa Camille Z. Domingo	P7271420B	26 JUL 2021 / DFA MANILA

who has satisfactory proven to me their identities through their valid identification cards, and that they are the same persons who personally signed before me the foregoing and acknowledges that they executed the same.

Doc No. 78
Page No. 17
Book No. XXII
Series of 2024.


ATTY. ARBIN OMAR P. CARIÑO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 57146

IBP Lifetime Member No. 018537
PTR No. 5415692 / 05 Jan. 2024 / Mandaluyong City
MCLE Compliance No. VII-0020973 issued dated 03 June 2022
Notarial Commission Appointment No. 0388-23
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City
VISTAREIT, INC.

Lower Ground Floor, Building B, Evia Lifestyle Center, Daang Hari, Almanza Dos, Las Piñas City

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	2	0	0	6	7	2	5
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COMPANY NAME

V	I	S	T	A	R	E	I	T	,		I	N	C	.		(F	O	R	M	E	R	L	Y		V	I	S	T
A		O	N	E	,		I	N	C	.)																		

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

L	O	W	E	R		G	R	O	U	N	D		F	L	O	O	R	,		B	U	I	L	D	I	N	G		B
,		E	V	I	A		L	I	F	E	S	T	Y	L	E		C	E	N	T	E	R		D	A	A	N	G	H
A	R	I	,		A	L	M	A	N	Z	A		D	O	S	,		L	A	S		P	I	Ñ	A	S		C	I
T	Y																												

Form Type

A	A	C	F	S
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Department requiring the report

S	E	C	
---	---	---	--

Secondary License Type, If Applicable

N	/	A	
---	---	---	--

COMPANY INFORMATION

Company's Email Address

vistaoneinc@starmalls.com.ph

Company's Telephone Number

8994-4377

Mobile Number

09998864216

No. of Stockholders

5,641

Annual Meeting (Month / Day)

5th of July

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATIONThe designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Melissa Camille Z. Domingo

Email Address

melissa_domingo@
vistaland.com.ph

Telephone Number/s

3226-3552/
8874-5758

Mobile Number

0999-887-3216

CONTACT PERSON'S ADDRESS

Lower Ground Floor, Building B, Evia Lifestyle Center, Daanghari, Almanza II, Las Piñas 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 Stockholders and the Board of Directors
VistaREIT, Inc.
Lower Ground Floor, Building B, Evia Lifestyle Center
Daanghari, Almanza Dos, Las Piñas City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of VistaREIT, Inc. (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the financial statements, material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

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 Financial Statements* section of our report. We are independent of the 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 financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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



Provision for Expected Credit Losses

The Company applies simplified approach in calculating expected credit loss (ECL) of its receivable from tenants. Key areas of judgment include segmenting the Company's credit risk exposures; defining default; determining assumptions to be used in the calculation; and incorporating forward-looking information (called overlays) in calculating the ECL. The determination of provision for credit losses for receivables from tenants, specifically, the exposure at default includes consideration of the security deposits and advance rent, and financial support and credit enhancements extended by any related party of the tenants. The Company recognized allowance and provision for credit losses amounting to ₱8.56 million as of and for the year ended December 31, 2023.

The disclosures related to credit losses are included in Note 7 to the financial statements.

Audit Response

We obtained an understanding of the methodologies and models used for the Company's different credit exposures and assessed whether these considered the requirements of PFRS 9 to reflect an unbiased and probability-weighted outcome and the best available forward-looking information.

We (a) assessed the Company's segmentation of its credit risk exposures based on credit risk characteristics, (b) assessed the methodology used in applying the ECL model by evaluating the key inputs, assumption and formula used, (c) compared the definition of default against historical analysis of accounts and the credit risk management policies and practices in place, (d) compared the security deposits and advance rent made by tenants against outstanding receivables to determine the exposure at default, (e) checked the impact of any financial support and credit enhancements extended by any party; and (f) checked the forward-looking information used for overlay through using publicly available information and our understanding of the Company's receivable portfolios and the related industry of tenants.

Further, we compared the data used in the ECL models, such as the historical aging analysis and default and recovery data, to the financial reporting systems.

We performed recalculation of the ECL on a sample basis and evaluated the adequacy of disclosures made in the financial statements.

Valuation of Investment Properties

The Company owns and operates investment properties located in Luzon and Visayas which comprise 87.51% of its total assets as of December 31, 2023. The investment properties are accounted for under the fair value method and the valuations were carried out by the management and an external valuer.

We identified the valuation of investment properties account as a key audit matter because it is material to the financial statements and the determination of the fair values of these properties involves significant judgment and estimation by the management and external valuer. They apply key assumptions for discount rates, growth rates and free cash flows, which are influenced by the prevailing market rates and comparable information.

The Company's disclosures about investment properties are included in Note 8 to the financial statements.



Audit Response

We evaluated the reasonableness of the fair value computations, valuation methodology adopted and the underlying assumptions in connection with the valuations of investment properties of the Company as of December 31, 2023. These key assumptions include discount rates, growth rates and free cash flows. In addition, we assessed whether the discount rates used are within the acceptable range with the assistance from our internal valuation specialist and performed a certain sensitivity analysis. We evaluated the competence and independence of the external valuer engaged by the Company. We also assessed the sufficiency of disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, 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.

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.



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

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

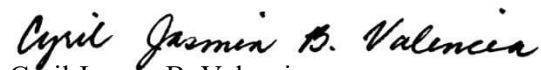
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation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

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

The supplementary information required under Revenue Regulations 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of VistaREIT, Inc. in a separate schedule. Revenue Regulations 15-2010 requires the information to be presented in the notes to financial statements. Such information is not a required part of the basic financial statements. The information is also not required by Revised Securities Regulation Code Rule 68. Our opinion on the basic financial statements is not affected by the presentation of the information in a separate schedule.

The engagement partner on the audit resulting in this independent auditor's report is
Cyril Jasmin B. Valencia.

SYCIP GORRES VELAYO & CO.



Cyril Jasmin B. Valencia

Partner

CPA Certificate No. 90787

Tax Identification No. 162-410-623

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

BIR Accreditation No. 08-001998-074-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10082027, January 6, 2024, Makati City

April 15, 2024



VISTAREIT, INC. (Formerly Vista One, Inc.)
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash (Notes 6, 18 and 19)	₱30,161,945	₱88,956,748
Receivables (Notes 7, 15, 18 and 19)	1,933,115,529	757,541,351
Receivable from related parties (Notes 15, 18 and 19)	445,149,224	1,176,934,525
Other current assets (Notes 1 and 9)	35,828,204	129,635,629
Total Current Assets	2,444,254,902	2,153,068,253
Noncurrent Assets		
Receivables - net of current portion (Notes 7, 15, 18 and 19)	967,782,116	480,511,726
Property and equipment (Note 1)	12,145,587	18,139,534
Investment properties (Notes 1 and 8)	25,457,137,020	24,836,894,248
Other noncurrent assets (Notes 1 and 9)	114,396,278	30,185,685
Total Noncurrent Assets	26,551,461,001	25,365,731,193
	₱28,995,715,903	₱27,518,799,446
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 10, 18 and 19)	₱474,542,105	₱246,172,088
Security deposits and advance rent (Notes 1 and 11)	385,062,047	589,301,412
Payable to related parties (Notes 1, 15, 18 and 19)	270,017,388	274,608,184
Dividends payable (Notes 12, 15, 18 and 19)	103,571,984	175,011,310
Income tax payable	—	30,137,710
Total Current Liabilities	1,233,193,524	1,315,230,704
Noncurrent Liabilities		
Security deposits and advance rent - net of current portion (Notes 1 and 11)	260,047,567	39,830,724
Total Liabilities	1,493,241,091	1,355,061,428
Equity (Notes 1 and 12)		
Capital stock	7,500,000,000	7,500,000,000
Additional paid-in capital	28,720,893,836	28,720,893,836
Deficit	(8,718,419,024)	(10,057,155,818)
Total Equity	27,502,474,812	26,163,738,018
	₱28,995,715,903	₱27,518,799,446

See accompanying Notes to Financial Statements.



VISTAREIT, INC. (Formerly Vista One, Inc.)
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2023	2022	2021
REVENUE			
Rental income (Notes 8 and 17)	₱2,411,020,708	₱1,957,565,706	₱—
Parking fees	40,504,809	32,672,494	—
Other operating income (Note 13)	173,495,690	111,188,020	—
	2,625,021,207	2,101,426,220	—
FAIR VALUE CHANGES IN INVESTMENT PROPERTIES			
Increase (decrease) in fair value of investment properties (Note 8)	1,089,899,082	(10,657,696,205)	—
Straight-line adjustments	(550,362,654)	(529,498,625)	—
Lease commissions	(1,817,454)	(12,352,344)	—
	537,718,974	(11,199,547,174)	—
COSTS AND EXPENSES			
Light and power	142,185,443	112,444,020	—
Outside services	123,846,226	95,622,168	—
Taxes, licenses and other fees	83,276,518	100,662,698	25,800
Repairs and maintenance	66,389,162	51,478,065	—
Management fees (Note 15)	55,819,742	41,218,716	—
Advertising and promotions	32,974,752	14,229,276	—
Insurance	24,291,429	16,895,963	—
Professional fees	21,277,575	5,951,255	100,000
Land lease (Note 15)	18,606,581	14,280,671	—
Depreciation	8,717,118	8,361,038	—
Provision for expected credit losses (Notes 5 and 7)	8,536,668	—	—
Representation and entertainment	3,784,578	5,738,512	—
Other operating expenses	12,480,334	10,356,628	9,781
	602,186,126	477,239,010	135,581
OTHER INCOME (EXPENSE)			
Interest income (Note 6)	52,737	20,439	18,334
Interest expense and other financing charges	(165,388)	(90,892)	—
	(112,651)	(70,453)	18,334
INCOME (LOSS) BEFORE INCOME TAX	2,560,441,404	(9,575,430,417)	(117,247)
PROVISION FOR INCOME TAX (Note 14)	(41,204,610)	(42,787,138)	(3,667)
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)	₱2,519,236,794	(₱9,618,217,555)	(₱120,914)
Basic/Diluted Earnings (Loss) Per Share (Note 16)	₱0.34	(₱2.32)	(₱0.01)

See accompanying Notes to Financial Statements.



VISTAREIT, INC. (Formerly Vista One, Inc.)
STATEMENTS OF CHANGES IN EQUITY

	Common Stock (Note 12)	Additional Paid-in Capital (Note 12)	Retained Earnings (Deficit) (Note 12)	Total
Balances as at January 1, 2023	₱7,500,000,000	₱28,720,893,836	(₱10,057,155,818)	₱26,163,738,018
Total comprehensive income for the year	—	—	2,519,236,794	2,519,236,794
Cash dividend declared	—	—	(1,180,500,000)	(1,180,500,000)
Balances as at December 31, 2023	₱7,500,000,000	₱28,720,893,836	(₱8,718,419,024)	₱27,502,474,812
Balances as at January 1, 2022	₱510,000,000	₱—	(₱9,688,263)	₱500,311,737
Issuance during the year	6,990,000,000	28,962,992,730	—	35,952,992,730
Share issuance costs	—	(242,098,894)	—	(242,098,894)
Total comprehensive loss for the year	—	—	(9,618,217,555)	(9,618,217,555)
Cash dividend declared	—	—	(429,250,000)	(429,250,000)
Balances as at December 31, 2022	₱7,500,000,000	₱28,720,893,836	(₱10,057,155,818)	₱26,163,738,018
Balances as at January 1, 2021	₱10,000,000	₱—	(₱257,139)	₱9,742,861
Issuance during the year	500,000,000	—	—	500,000,000
Share issuance costs	—	—	(9,310,210)	(9,310,210)
Total comprehensive loss for the year	—	—	(120,914)	(120,914)
Balances as at December 31, 2021	₱510,000,000	₱—	(₱9,688,263)	₱500,311,737

See accompanying Notes to Financial Statements.



VISTAREIT, INC. (Formerly Vista One, Inc.)**STATEMENTS OF CASH FLOWS**

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	₱2,560,441,404	(₱9,575,430,417)	(₱117,247)
Adjustments for:			
Depreciation	8,717,118	8,361,038	—
Provision for expected credit losses (Note 7)	8,536,668	—	—
Interest income (Note 6)	(52,737)	(20,439)	(18,334)
Adjustment for fair value changes in investment properties (Note 8)	(539,536,428)	11,187,194,830	—
Operating income (loss) before working capital changes	2,038,106,025	1,620,105,012	(135,581)
Increase in:			
Receivables	(1,671,381,236)	(1,238,053,077)	—
Other assets	(31,597,231)	(159,820,671)	(643)
Receivables from related parties	(54,976,568)	(1,176,934,525)	—
Increase (decrease) in:			
Accounts and other payables	220,318,385	240,991,088	5,101,000
Security deposits and advance rent	15,977,478	629,132,136	—
Net cash flows generated from (used for) operations	516,446,853	(84,580,037)	4,964,776
Income taxes paid	(30,148,257)	(12,649,428)	(3,667)
Interest received from cash in bank	52,737	20,439	18,334
Net cash flows provided by (used in) operating activities	486,351,333	(97,209,026)	4,979,443
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment	(2,152,599)	(26,500,572)	—
Investment properties (Note 8)	(49,485,099)	(71,096,348)	—
Net cash flows used in investing activities	(51,637,698)	(97,596,920)	—
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in payable to related parties	(4,590,796)	270,025,914	4,400,210
Payment of dividends	(488,917,642)	(254,238,690)	—
Payment of share issuance costs	—	(242,098,894)	(9,310,210)
Proceeds from issuance of shares	—	—	500,000,000
Net cash flows (used in) provided by financing activities	(493,508,438)	(226,311,670)	495,090,000
NET (DECREASE) INCREASE IN CASH	(58,794,803)	(421,117,616)	500,069,443
CASH AT BEGINNING OF YEAR	88,956,748	510,074,364	10,004,921
CASH AT END OF YEAR (Note 6)	₱30,161,945	₱88,956,748	₱510,074,364

See accompanying Notes to Financial Statements.



VISTAREIT, INC. (Formerly Vista One, Inc.)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

VistaREIT, Inc. (the Company or VREIT), formerly Vista One, Inc. (VOI), was incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on August 24, 2020, primarily to own, manage, operate and engage in the leasing of income-generating real properties such as office buildings, shopping centers, hotels, resorts, residential buildings, condominium buildings, among others and to hold for investment or otherwise, real estate of all kinds, including buildings, apartments and other structures, and to grant loans and/or assume or undertake or guarantee or secure, whether as solidary obligor, surety, guarantor or any other capacity either on its general credit or on the mortgage, pledge, deed of trust, assignment and/or other security arrangement of any or all of its property, the whole or any part of the liabilities and obligations of Vista Land and Lifescapes, Inc. (VLLI), subsidiaries or investee companies or affiliates, without engaging in the business of a financing company or lending investor.

On December 29, 2021, the SEC approved the increase in VOI's authorized capital stock from ₱40,000,000 divided into 40,000,000 shares with par value of ₱1.00 each to ₱2,000,000,000 divided into 2,000,000,000 shares with par value of ₱1.00 per share. Accordingly, the Company subsequently issued 500,000,000 common shares to its shareholders (see Note 12).

As of December 31, 2021, VOI is owned by the following: (1) Manuela Corporation (MC) (20.50%); (2) Masterpiece Asia Properties, Inc. (MAPI) (19.61%); (3) Vista Residences, Inc (VRI) (19.61%); (4) Communities Pampanga, Inc. (CPI) (19.61%); and (5) Crown Asia Properties, Inc. (CAPI) (19.61%) and the rest by individual shareholders.

MC and MAPI are 99.85% and 100% owned subsidiaries, respectively, of Vistamalls, Inc. (VMI), a publicly listed holding company in the Philippine Stock Exchange (PSE). VMI is 88.34% owned by VLLI and the rest by the public while VRI, CPI and CAPI are wholly owned subsidiaries of VLLI. VLLI is a publicly listed investment holding company which is 65.84% owned by Fine Properties, Inc., (Ultimate Parent Company), as of December 31, 2023 and 2022, and the rest by the public.

VOI's registered office and principal place of business is located at LGF, Building B, EVIA Lifestyle Center, Daanghari, Almanza II, Las Piñas City.

REIT Transaction

On August 7, 2020, the Board of Directors (BOD) of VLLI approved the incorporation of VOI, to be the vehicle for the Vista Group's Real Estate Investment Trust (REIT) registration under Republic Act No. 9856 (The REIT Act of 2009). VOI was later renamed as Vista REIT, Inc. (VREIT).

In compliance with applicable regulatory requirements of the SEC for companies seeking registration of their securities, VREIT entered into and implemented the following REIT Formation Transactions:

Amendment of the Articles of Incorporation

On February 7, 2022, at least a majority of the Board of Directors (BOD) and the stockholders owning at least two-thirds (2/3) of the outstanding capital stock of VREIT approved to increase the authorized capital stock of VREIT to ₱15,000,000,000 divided into 15,000,000,000 shares with par value of ₱1.00 per share (see Note 12).



The increase in VREIT's authorized capital stock from ₱2,000,000,000 divided into 2,000,000,000 shares of the par value of ₱1.00 per share to ₱15,000,000,000 pesos in lawful money of the Philippines, divided into 15,000,000,000 shares with the par value of ₱1.00 per share was approved by the SEC on March 14, 2022 (see Note 12).

On March 16, 2022, at least a majority of the BOD and the stockholders owning at least two-thirds (2/3) of the outstanding capital stock of VREIT approved various amendments to the Articles of Incorporation of the Company including, among others, the following: (a) change in the corporate name to "VISTAREIT, INC."; (b) change in primary purpose to engage in the business of a real estate investment trust under Republic Act No. 9856 (the REIT Law), including the Revised Implementing Rules and Regulations of the REIT Law); (c) requirement to have independent directors in the Board; and (d) other amendments in connection with the initial public offering of VREIT as a REIT entity. Such amendments were approved by the SEC on April 18, 2022.

Execution of Property-for-Share Swap Agreement

On February 7, 2022, the Company also entered into various Deeds of Assignment and Subscription Agreements with each of MC, MAPI, VRI, CAPI and CPI (collectively, the Sponsors), for the assignment, transfer, and conveyance by the Sponsors to the Company of 10 (ten) community malls and two office buildings with an aggregate gross lease area of 256,403.95 sqm (collectively, the Assigned Properties) in exchange for the issuance by the Company to the Sponsors out of the increase in authorized capital stock described hereinabove of an aggregate of Six Billion Nine Hundred Ninety Million (6,990,000,000) common shares at an issue price of One Peso and Fifty Centavos (₱1.50) per share, or an aggregate issue or subscription price of Ten Billion Four Hundred Eighty Five Million Pesos (₱10,485,000,000) (the Property-for-Share Swap). The difference between the issue price and the par value of ₱3,495,000,000 is accounted for as additional paid-in capital (APIC).

Accordingly, the Assigned Properties have a total fair value of Thirty-Five Billion Nine Hundred Fifty-Two Million Nine Hundred Ninety-Two Thousand Seven Hundred Thirty Pesos (₱35,952,992,730). The difference between the said fair value of the Assigned Properties and the issue price thereof to the Company (i.e., the issue price of the shares issued to the Sponsors in the Property-for-Share Swap) amounting to Twenty-Five Billion Four Hundred Sixty-Seven Million Nine Hundred Ninety-Two Thousand Seven Hundred Thirty Pesos (₱25,467,992,730) is accounted for as APIC.

The above transactions resulted to a total APIC of Twenty-Eight Billion Nine Hundred Sixty-Two Million Nine Hundred Ninety-Two Thousand and Seven Hundred Thirty Pesos (₱28,962,992,730).

The Assigned Properties consists of the following:

Sponsor (Transferor)	Properties	Classification	Location
Manuela Corporation	Vista Mall Las Piñas (Main)	Building	Las Piñas City
Manuela Corporation	Vista Mall Las Piñas (Annex)	Building	Las Piñas City
Masterpiece Asia Properties, Inc.	Starmall SJDM	Building	San Jose del Monte, Bulacan
Masterpiece Asia Properties, Inc.	SOMO - A Vista Mall	Building	Bacoor, Cavite
Masterpiece Asia Properties, Inc.	Vista Mall General Trias	Building	General Trias City, Cavite
Masterpiece Asia Properties, Inc.	Vista Mall Tanza	Building	Tanza, Cavite
Masterpiece Asia Properties, Inc.	Vista Mall Imus	Building	Imus, Cavite
Masterpiece Asia Properties, Inc.	Starmall Azienda	Building	Talisay City, Cebu
Masterpiece Asia Properties, Inc.	Vista Hub Molino	Building	Bacoor, Cavite

(Forward)



Sponsor (Transferor)	Properties	Classification	Location
Crown Asia Properties, Inc.	Vista Mall Antipolo	Building	Antipolo City, Rizal
Communities Pampanga, Inc.	Vista Mall Pampanga	Building	San Fernando, Pampanga
Vista Residences, Inc.	Vista Hub BGC	Condominium units and parking spaces	Bonifacio Global City

On March 14, 2022, the SEC issued the confirmation of the valuation of the Property-for-Share Swap. The requisite Certificate Authorizing Registrations authorizing the transfer of legal title to the Assigned Properties from the Sponsors to VREIT were issued by the Bureau of Internal Revenue (BIR) on April 25 to 29 and May 2, 2022.

On March 16, 2022, pursuant to the Deeds of Assignment and Subscription Agreements for the transfer, assignment and conveyance in favor of VREIT of all of the Sponsors' rights, title and interests in the Assigned Properties in exchange for VREIT's common shares, VREIT and the Sponsors entered into a Deed of Assignment of Leases assigning all of the Sponsors' rights and interests in and to the Contracts of Lease over portions of the Assigned Properties leased out to various entities (the "Leases") effective upon the issuance of VREIT's common shares in the name of the Sponsors.

Accordingly, upon the SEC's confirmation of the Property-for- Share Swap and the execution of the Deed of Assignment of Leases, VREIT recorded the following:

- a.) Increase in 'Investment properties' of ₱35,952.99 million;
- b.) Increase in 'Security deposits and advance rent' of ₱169.27 million;
- c.) Increase in 'Property and equipment' of ₱27.18 million;
- d.) Increase in 'Other current assets' of ₱ 128.09 million;
- e.) Increase in 'Other noncurrent assets' of ₱ 128.04 million;
- f.) Increase in 'Due to related parties' of ₱114.05 million;
- g.) Increase in 'Capital stock' of ₱6,990.00 million for the issuance of 6,990.00 million common shares at ₱1.00 par value; and
- h.) Increase in 'Additional paid-in capital of ₱28,720.89 million, the excess of fair value of the Assigned Properties over shares issued and net of share issuance costs of ₱242.10 million.

Initial public offering of the Company

As of December 31, 2023 and 2022, VREIT is 32.96% owned by MAPI, 17.40% owned by VRI, 5.92% owned by MC, 4.86% by CPAM, 3.49% owned by CAPI and 35.37% by the public after it was listed in the Philippine Stock Exchange on June 15, 2022. VLLI's effective ownership in VREIT as of December 31, 2023 and 2022 is at 60.09% from 98.94% as of December 31, 2021 as a result of the initial public offering.

2. Basis of Preparation

Basis of Preparation

The financial statements have been prepared on historical cost basis, except for investment properties which are measured at fair value, and are presented in Philippine Peso (₱), the Company's functional currency. All amounts are rounded off to the nearest peso unless otherwise indicated.



Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

3. **Changes in Accounting Policies**

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have significant impact on the financial statements of the 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.

The amendments have had an impact on the Company’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company’s financial statements.

- 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.

- 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).



- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as ‘Pillar Two legislation’ and ‘Pillar Two income taxes’, respectively.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Company’s financial statements unless otherwise indicated.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

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*

4. Summary of Material Accounting Policy Information

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 by the 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 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 financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the 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 reporting period.

Cash

Cash includes cash on hand and in banks. Cash in banks earn interest at the prevailing interest rate.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. For a financial asset to be classified and measured at amortized cost or fair value through OCI, 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 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 Company commits to purchase or sell the asset.



Subsequent measurement

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

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

Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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.

The Company's financial assets at amortized cost includes cash, receivables (except for advances to contractors) and receivables from related parties.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of comprehensive income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.



Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

Impairment of Financial Assets

The Company recognizes expected credit losses (ECL) for the following financial assets that are not measured at FVTPL:

- debt instruments that are measured at amortized cost and FVOCI;
- loan commitments; and
- financial guarantee contracts.

No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company uses simplified approach method in calculating its ECL for receivables from tenants. Under the simplified approach, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix for trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors (i.e., inflation, GDP growth rate) specific to the debtors and the economic environment.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate 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. The Company considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full.

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss.

For cash in banks, the 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 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. The Company uses the ratings from the external credit rating agencies to determine whether the instrument has significantly increased in credit risk and to estimate ECLs.



Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, 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.

The Company's financial liabilities include accounts and other payables (except for deferred output VAT and other statutory payables), payable to related parties, dividends payable and retention payable.

Subsequent measurement

Loans and borrowings

This is the category most relevant to the Company. 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 statements of comprehensive income.

This category generally applies to accounts and other payables (except for deferred output VAT and other statutory payables), payable to related parties, liabilities for purchased land, retention payable, bank loans and lease liabilities presented in the statements of financial position.

Derecognition of Financial Assets and Financial Liabilities

Financial asset

A financial asset (or, where applicable, a part of a group of financial assets) is derecognized when, and only when: (a) the right to receive cash flows from the assets expires; (b) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third-party under a "pass-through" arrangement; or (c) the Company has transferred its right to receive cash flows from the asset and either: (i) has transferred substantially all the risks and rewards of the asset, or (ii) has neither transferred nor retained the risks and rewards of the asset but has transferred control of the asset.

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

Modification of financial assets

The Company derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.



When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the profit or loss.

Financial liability

A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Advances to Contractors and Suppliers

Advances to contractors are advance payments in relation to the Company's construction activities and are recouped through reduction against progress billings as the construction progresses. Recoupments occur within one to five years from the date the advances were made.

Refundable Deposits

Refundable deposits are measured at amortized cost. These pertain to deposits on utility subscriptions, rental deposits and security deposits which shall be applied against unpaid utility expenses and rent expenses upon termination of the contracts.

Investment Properties

Investment properties consist of properties that are held to earn rental and that are not occupied by the Company. Investment properties are initially measured at cost but are subsequently remeasured at fair value at each reporting date, which reflects market conditions at the reporting date. Cost comprises the purchase price and any directly attributable costs in developing and improving the properties. Cost also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day-to-day servicing of an investment property. The fair value of investment properties is determined using income approach by the management and an external valuer. Gains or losses arising from changes in the fair value of investment properties are included in the profit or loss in the period in which they arise, including the corresponding tax effect, if any. The fair value reported in the financial statements is reduced by the application of the straight-line method of recognizing rental income and lease commissions.

The Company's investment properties consist mainly of retail malls and office buildings.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the period of retirement or disposal.



Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party. 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 sell.

For transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupier property become an investment property, the Company accounts for such property in accordance with the property and equipment policy up to the date of change in use.

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups 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 assessment of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each financial reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. 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 and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase in OCI. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Security Deposits

Security deposits represent deposits required by lease agreement from lessees. These can be recovered upon termination of the lease agreement through refund or application to unpaid rent and/or other charges.

Advance Rent

Advance rent includes three-month advance rental paid by lessee as required under lease contract. These will be applied to the first or last three months rental depending on the contract terms of the related lease contract. These also include overpayments made by lessee against its monthly billings which will applied to future billings.



Equity

Capital stock and additional paid-in capital (APIC)

Capital stock is measured at par value for all shares subscribed, issued and outstanding. When the shares are sold at premium, the difference between the proceeds at the par value is credited to APIC. Direct costs incurred related to equity issuance are chargeable to APIC account. If APIC is not sufficient, the excess is charged against retained earnings. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Share issuance costs

Share issuance costs are incremental costs directly attributable to the issuance or subscription of new shares which are shown in equity as deduction, net of tax, from the proceeds. Costs that relate to the new stock market listing, or otherwise are not incremental costs directly attributable to issuing new share, are recorded as expense in the statement of comprehensive income.

Retained earnings (Deficit)

Retained earnings (Deficit) represent accumulated earnings (losses) of the Company less dividends declared.

Revenue Recognition

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

Rental Income

The Company earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in the revenue in the statement of comprehensive income due to its operating nature, except for contingent rental income which is recognized when it arises.

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognized as a reduction of rental income on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Company is reasonably certain that the tenant will exercise the option. For more information on the judgment involved, refer to Note 5.

The tenant lease incentives are considered in the calculation of 'Accrued rental receivables' under 'Receivables' in the statement of financial position.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the statement of comprehensive income when the right to received them arises.

The contracts for commercial and office spaces leased out by the Company to its tenants include the rights to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance janitorial and security services.



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

For the provision of CUSA and air-conditioning of the buildings, the Company acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Company has the discretion on how to price the CUSA and air-conditioning charges.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Company. The Company applies the time elapsed method to measure progress.

The consideration charged to tenants for these services is based on a fixed amount as agreed with the tenants.

The Company arranges for third parties to provide certain of these services to its tenants. The Company concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Company records revenue on a gross basis. For more information, please refer to Note 5.

Interest income

Interest is recognized using the effective interest 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.

Parking Fees and Other Operating Income

Parking fees and other operating income are recognized when earned.

Cost and Expenses

Cost and expenses pertain to expenses incurred in relation to rental of investment properties and administering the business. These are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen than can be measured reliably. These are recognized when incurred and measured at the amount paid or payable.

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 taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

The Company periodically evaluates the income tax positions taken in situations where the applicable tax regulations are subject to interpretation and considers these positions separately from other uncertainties. The Company assesses whether or not it is probable that those income tax positions will be accepted by the tax authorities, where if not, the Company recognizes additional income tax expense and liability relating to those positions.



Deferred tax

Deferred tax is provided using the liability method on temporary differences, with certain exceptions, 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 exceptions. Deferred tax liabilities shall be recognized for all taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures when the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in foreseeable future. Otherwise, no deferred tax liability is set up.

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

Deferred tax assets shall be recognized for deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss in the statement of comprehensive income. Deferred tax items recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Incentive Under REIT Law

The Company is granted an exemption under the REIT Law provided that it meets certain conditions (e.g., distribution of minimum required earning equivalent to at least 90% of distributable income).

Under the tax incentive scheme, the Company can choose to operate within one or two tax regimes (a “full tax” regime or a “no tax” regime) depending on whether profits are retained or distributed.

The Company availed of the tax-free incentive and no deferred taxes have been recognized on temporary differences.



Leases

The 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.

Company as Lessee

The Company applies a single recognition and measurement approach for all leases, except short-term leases and leases of low-value assets. The Company's long term lease requires variable lease payments and thereby does not qualify for recognition of lease liability and right-of-use asset (see Note 15).

Short-term Leases and Leases of Low-value Assets

The Company applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Company applies the low-value assets recognition exemption to leases of underlying assets with a value of ₱0.25 million and below when new. Lease payments on short-term leases and low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as a Lessor

Leases where the lessor does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

A lessor shall account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. If a change in lease payments does not meet the definition of a lease modification, that change would generally be accounted for as a negative variable lease payment. In the case of an operating lease, a lessor recognizes the effect of the rent concession by recognizing lower income from leases.

Pretermination is defined as termination of lease contract by the lessee or lessor before the end of the lease term. In the case of pretermination of an operating lease, a lessor derecognizes the accrued rental receivable which is the effect of straight-line calculation of rental income and is charged against rental income in the statement of comprehensive income.

Basic and Diluted Earnings (Loss) Per Share (EPS)

Basic EPS is computed by dividing net income attributable to equity holders of the Company by the weighted average number of common shares issued and outstanding during the year. Diluted EPS is computed by dividing net income (loss) attributable to the equity holders of the Company by the weighted average number of common shares issued and outstanding during the year after giving effect to assumed conversion of potential common shares. The calculation of diluted EPS does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

As of December 31, 2023, 2022 and 2021, the Company has no potential dilutive common shares (see Note 16).



Segment Reporting

The Company's lease operation is its reportable segment. Financial information on business segment is presented in Note 17 to the financial statements.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessment of the time value of money and the risk specific to the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized only when the reimbursement is virtually certain. The expense relating to any provision is presented instatement of comprehensive income net of any reimbursement.

Contingencies

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

Events After the Financial Reporting Date

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Any post year-end events that are not adjusting events are disclosed in the financial statements when material.

5. Material Accounting Judgments and Estimates

The preparation of accompanying financial statements in compliance with PFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from such estimates.

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

Judgments

In the process of applying the 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 financial statements:

Assessment of the Company being effectively a 'tax-free' entity

There are entities which are specifically exempt from income tax under the tax rules, and accordingly are not within the scope of PAS 12, *Income Taxes*. For REIT entities, while not formally designated as 'tax-free' under the tax rules, are nevertheless "income tax-free" provided that they meet certain conditions (i.e., listing status, dividend payments, etc.).



A REIT entity is required to distribute at least 90% of its annual income as a dividend to its investors and is allowed to treat the dividend as deduction for tax purposes making it effectively an “income tax-free” entity.

The Company abides with the provisions of the REIT law and complies with the 90% dividend distribution. The Company has determined, based on its current tax regime and expected dividend distribution in the succeeding periods, that it is effectively an “income tax-free” entity. Accordingly, the Company did not recognize deferred taxes after its listing as a REIT entity (see Note 14).

Principal versus agent considerations

The contract for the commercial spaces leased out by the Company to its tenants includes the right to charge for the electricity usage, water usage, air conditioning charges and CUSA like maintenance, janitorial and security services.

For the electricity and water usage, the Company determined that it is acting as an agent because the promise of the Company to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility company, and not the real estate developer, is primary responsible for the provisioning of the utilities while the Company, administers the leased spaces and coordinates with the utility companies to ensure that tenants have access to these utilities. The Company does not have the discretion on the pricing of the services provided since the price is based on the actual rate charged by the utility providers.

For the connection to air conditioning system and services in the CUSA, the Company acts as a principal. This is because it is the Company who retains the right to direct the service provider of CUSA as it chooses and the party responsible to provide proper ventilation and air conditioning to the leased premises. The right to the services mentioned never transfers to the tenant and the Company has the discretion on how to price the CUSA and air conditioning charges.

Property lease classification - the Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of this property and accounts for the contracts as operating leases

Determination of the lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

As a lessor, the Company enters into lease agreements that contain options to terminate or to extend the lease. At commencement date, the Company determines whether the lessee is reasonably certain to extend the lease term or not to terminate the lease. To make this analysis, the Company takes into account any difference between the contract terms and the market terms, any significant investments made by the lessee in the property, costs relating to the termination of the lease and the importance of the underlying asset to the lessee's operations. In many cases, the Company does not identify sufficient evidence to meet the required level of certainty.



As a lessee, the Company has a lease contract for the land where investment properties are situated that includes an extension and a termination option. The Company applies judgement in evaluating whether or not it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise, or not to exercise, the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Significant increase in credit risk

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors. The Company's cash in banks are graded in the top investment category by globally recognized credit rating agencies such as S&P, Moody's and Fitch and, therefore, are considered to be low credit risk investments. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from these credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs. Using its expert credit judgement and, where possible, relevant historical experience, the Company may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. The Company has recognized provision for expected credit losses on its financial assets amounting to ₱8.54 million in 2023 (nil in 2022).

Evaluation whether the acquired asset of assets constitute a business

The Company acquired portfolio of investment properties via asset-for-share swap and elected to apply the optional concentration test to determine whether the acquired assets or group of assets constitute a business. The Company has determined that the acquisition is a purchase of asset as the acquisition passed the concentration test due to: (a) the building is considered a single identifiable asset and (b) substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset.

See Note 1 for details of the acquired properties in 2022 from the Sponsors.

Management's Use of Estimates

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

Provision for expected credit losses of financial assets

Cash in banks:

The Company recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss. The Company uses external credit rating approach to calculate ECL for cash in banks. This approach leverages on available market data (i.e., S&P and Moody's and Fitch credit ratings for default rates). S&P, Moody's, Fitch and Reuters are reliable market data sources that provide default and recovery rate data. This information are widely used by investors and stakeholders in decision-making in terms of investment, credit activities, etc.



Receivables:

For third-party receivable from tenants and accrued rental receivables, the Company recognizes a loss allowance based on lifetime ECLs. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss.

For related party receivables from tenants, including the accrued rental receivable, the Company considers the ability to pay of the related party and considers factors whether the related party is a listed company or not, its current results of operations and the projected cash flows from operations. The assessment also includes the assumption of the liability of the related parties' parent company and future plans of payments for remaining uncollected receivables such as entering into property exchange or joint venture arrangements wherein land properties will be received as form of settlement, which are to be used in the Company's planned expansion activities. The collectability assessment also includes the continuing commitment to provide financial support to these related parties and common control entities by Fine Properties, Inc. and the assessment of the latter's capacity to provide such financial support.

The assessment of the relationship 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 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 carrying value of the Company's receivables amounted to ₱1,792.81 million and ₱690.81 million as of December 31, 2023 and 2022, respectively. The Company has recognized provision for expected credit losses on its financial assets amounting to ₱8.54 million in 2023 (nil in 2022).

Further details are provided in Note 7.

Incorporation of forward-looking information

The Company considers a range of relevant forward-looking macro-economic assumptions (i.e., inflation rate and GDP growth rate) for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Company's evaluation and assessment and after taking into consideration external actual and forecast information, the Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions. The base case represents a most-likely outcome and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios. The Company has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.



Evaluation of impairment of nonfinancial assets

The Company regularly reviews its nonfinancial assets carried at cost for impairment of value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant industry or economic trends.

The Company estimates the recoverable amount as the higher of the fair value less costs to sell and value in use. Fair value less costs to sell pertain to quoted prices and for fair values determined using discounted cash flows or other valuation technique such as multiples. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make estimates and assumptions that may affect property and equipment and other nonfinancial assets.

Further details are provided in Note 9.

Determining the fair value of investment properties

The Company measures its investment properties using fair value method. The Company engages an independent valuation specialists to assess fair value as at reporting date. The fair value of investment properties is determined by independent real estate valuation experts based on the income approach which are based on the assets' discounted future cash flows.

The fair value of investment properties amounted to ₱25,457.14 million and ₱24,836.89 million as of December 31, 2023 and 2022, respectively. Fair value changes resulting to a gain recognized in 2023 and loss recognized in 2022 amounted to ₱539.54 million and ₱11,187.19 million, respectively (see Note 8).

6. Cash

This account consists of:

	2023	2022
Cash on hand	₱127,400	₱45,000
Cash in banks (Notes 18 and 19)	30,034,545	88,911,748
	₱30,161,945	₱88,956,748

Cash in banks earns interest at the prevailing bank deposit rates. Interest rate ranges from 0.06% to 0.13%, 0.06% to 0.13%, and 0.01% in 2023, 2022 and 2021, respectively.

Interest earned from cash in banks for the years ended December 31, 2023, 2022 and 2021 amounted to ₱0.05 million, ₱0.02 million, and ₱0.02 million, respectively.



7. Receivables

This account consists of:

	2023	2022
Accounts receivable from tenants (Note 15)	₱1,787,038,397	₱685,497,099
Accrued rental receivable (Note 15)	1,079,861,279	529,498,625
Advances to contractors	36,761,821	17,744,739
Other receivables	5,772,816	5,312,614
	2,909,434,313	1,238,053,077
Less allowance for impairment losses	8,536,668	—
	2,900,897,645	1,238,053,077
Less noncurrent portion	967,782,116	480,511,726
	₱1,933,115,529	₱757,541,351

Accounts receivable from tenants

Accounts receivables from tenants represent the outstanding receivables arising from the lease of commercial centers relating to the Company's mall and offices and are collectible within 30 days from billing date. Except for lease contracts with related parties, these are covered by security deposit of tenants' equivalent to two to four-month rental and two to four-month advance rental paid by the lessees. This includes both the fixed and contingent portion of lease.

Accrued rental receivable

Accrued rental receivable pertains to the effect of straight-line calculation of rental income. The noncurrent portion of accrued rental receivable pertains to future billings beyond 12 months from reporting date.

Advances to contractors

Advances to contractors are advance payments in relation to the Company's construction activities and are recouped through reduction against progress billings as the construction progresses. Recoupment occurs within one to five years from the date the advances were made.

Provision for expected credit losses

In 2023, the Company recognized specifically impaired receivables from third party tenants amounting to ₱8.54 million (nil in 2022).

Rental agreements

The Company entered into lease agreements for its mall retail spaces and office spaces with the following identified performance obligations: (a) lease of space, (b) provisioning of water and electricity, and (c) connection to air conditioning system, (d) CUSA services, and (e) administration fee. Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations is recognized when services are rendered. Except for related party tenants, the following arrangements are applicable to the rental arrangement of the Company: (a) the tenant is required to settle within 30 days upon receipt of the bill, in case of delay in payments, a penalty of 5.00% is charged for the amount due and shall be charged another 5.00% the following month of delay and every month thereafter inclusive of penalties previously charged; and (b) the lease arrangement would typically require a tenant to pay advance rental equivalent to two to four months rental and security deposit equivalent to two to four months rental to cover any breakages after the rental period, with the excess, if any, is returned to the tenant.



As a result of the execution of the Property-for-Share Swap and Deed of Assignment of Leases, the Sponsors effectively terminated the lease contracts assigned to VREIT and in turn, VREIT, as the new lessor, accounted for these assigned leases as new lease contracts accounted for as operating lease (see Note 1).

8. Investment Properties

The rollforward analysis of this account follows:

December 31, 2023			
	Building and Building Improvements	Construction in Progress	Total
Fair Value:			
Balances at beginning of year	₱24,805,931,869	₱30,962,379	₱24,836,894,248
Additions	47,301,527	33,404,817	80,706,344
Fair value change	539,536,428	—	539,536,428
Balances at end of year	₱25,392,769,824	₱64,367,196	₱25,457,137,020

December 31, 2022			
	Building and Building Improvements	Construction in Progress	Total
Fair Value:			
Balances at beginning of year	₱—	₱—	₱—
Property-for-share swap transaction	35,952,992,730	—	35,952,992,730
Additions	40,133,969	30,962,379	71,096,348
Fair value change	(11,187,194,830)	—	(11,187,194,830)
Balances at end of year	₱24,805,931,869	₱30,962,379	₱24,836,894,248

As discussed in Note 1, VREIT entered into various Deeds of Assignment and Subscription Agreements with the Sponsors for the assignment, transfer, and conveyance by the Sponsors to VREIT of 10 community malls and two office buildings excluding the land where the malls and office buildings are situated with fair value of ₱35,952.99 million in exchange for the issuance by VREIT to the Sponsors of common shares (the Property-for-Share Swap).

Investment properties consist mainly of commercial centers that are held to earn rentals. The commercial centers include retail malls and offices that are located in key cities and municipalities in the Philippines.

The following table provides the fair value hierarchy of the Company's investment properties as of December 31, 2023 and 2022:

	Fair value measurement using				
			Quoted prices in active markets for identical assets (Level 1)	Significant offer observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Date of valuation	Total			
Investment properties	December 31, 2023	₱25,457,137,020	₱—	₱—	₱25,457,137,020

	Fair value measurement using				
			Quoted prices in active markets for identical assets (Level 1)	Significant offer observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Date of valuation	Total			
Investment properties	December 31, 2022	₱24,836,894,248	₱—	₱—	₱24,836,894,248



The fair values of the investment properties were measured through income approach using the discounted cash flow analysis by independent professionally qualified appraiser. This approach converts anticipated future gains to present worth by projecting reasonable income and expenses for the subject properties.

The key assumptions used to determine the fair value of the investment properties held for leasing are the estimated rental value per sqm per year, rental growth rate per annum, inflation rate, and discount rate. The discount rate used in the valuation is 9.20% and 9.70% in 2023 and 2022, respectively. Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum, and an opposite change in the long-term vacancy rate and discount rate.

Rental income earned from investment properties, including straight-line adjustments, amounted to ₱2,411.02 million and ₱1,957.57 million in 2023 and 2022, respectively. Repairs and maintenance costs and costs of property operations arising from the investment properties amounted to ₱556.11 million, ₱455.19 million and nil in 2023, 2022 and 2021, respectively. For the terms and conditions on the lease, refer to Note 20.

There are no investment properties as of December 31, 2023 and 2022 that are pledged as security to liabilities. The Company has no restrictions on the realizability of its investment properties. Except for contracts awarded, there are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

9. Other Assets

This account consists of:

	2023	2022
Refundable deposits	₱106,071,622	₱106,071,622
Prepaid expenses	29,597,983	22,661,862
Creditable withholding taxes	8,324,656	—
Input value-added tax (VAT)	3,751,919	30,013,287
Others	2,478,302	1,074,543
	150,224,482	159,821,314
Less noncurrent portion of refundable deposits	106,071,622	30,185,685
Less noncurrent portion of creditable withholding taxes	8,324,656	—
Total noncurrent portion	114,396,278	30,185,685
	₱35,828,204	₱129,635,629

Refundable deposits pertain to deposits on utility subscriptions and security deposits. These deposits shall be applied against unpaid utility expenses. These deposits are necessary for the continuing construction and development of the Company's commercial centers.



As a result of the execution of the Property-for-Share Swap and Deed of Assignment of Leases, the Sponsors effectively terminated the lease contracts assigned to VREIT and in turn, VREIT, as the new lessor, accounted for these assigned leases as new lease contracts. Accordingly, the Sponsors also transferred the related refundable deposits on the assigned leases amounting to ₱128.09 million (see Note 1).

Prepaid expenses mainly include advertising and marketing fees, taxes and licenses and insurance paid in advance. These are to be fully amortized within one year.

Creditable withholding taxes pertain to taxes withheld by the customer and are recoverable and can be applied against income tax in future periods. For the year ended December 31, 2023, creditable withholding taxes applied to income tax payable amounted to ₱41.19 million (nil in 2022).

Input VAT is a tax imposed on purchases of goods, professional and consulting services and construction costs. These are available for offset against output VAT in future periods.

10. Accounts and Other Payables

This account consists of:

	2023	2022
Accounts payable:		
Supplier	₱274,614,119	₱170,963,518
Contractors	37,124,288	22,292,288
Deferred output VAT	106,554,456	25,441,852
Accrued expenses	47,215,871	20,496,642
Retention payable	6,083,269	2,743,205
Other payables	2,950,102	4,234,583
	₱474,542,105	₱246,172,088

Accounts payable - suppliers

Accounts payable - suppliers represent agency fees, construction materials, marketing collaterals, office supplies and property and equipment ordered and delivered but not yet due. These are expected to be settled within the year.

Accounts payable - contractors

Accounts payable - contractors pertain to contractors' billings for construction services related to the development of various projects of the Company. These are expected to be settled within the year.

Deferred output VAT

Deferred output VAT pertains to the output VAT on receivables from the Company's leasing operations. This amount is presented as output VAT upon collection of the receivables.



Accrued expenses

Details of accrued expenses are as follow:

	2023	2022
Repairs and maintenance	₱9,496,362	₱4,517,630
Janitorial services	8,238,998	4,922,984
Utilities	5,678,068	2,315,716
Agency services	5,506,706	4,971,875
Security services	5,205,147	2,185,073
Advertising	5,105,010	746,608
Professional fees	3,510,971	53,199
Rental	791,623	176,854
Others	3,682,986	606,703
	₱47,215,871	₱20,496,642

Retention payable

Retention payable pertains to 10.00% retention from the contractors' progress billings which will be released after the completion of contractors' project. The retention serves as a holdout amount withheld from the contractor to cover for back charges that may arise from quality issues in affected projects.

Other payables

Other payables include dues from remittance to Social Security System, Philippine Health Insurance Corporation, Home Development Mutual Fund, withholding taxes and various payables. These are noninterest-bearing and are normally settled within one year.

11. Security Deposits and Advance Rent

This account consists of:

	2023	2022
Security deposits	₱378,552,649	₱359,758,838
Advance rent	266,556,965	269,373,298
	645,109,614	629,132,136
Less noncurrent portion:		
Security deposits	(174,066,315)	(24,180,197)
Advance rent	(85,981,252)	(15,650,527)
	(260,047,567)	(39,830,724)
	₱385,062,047	₱589,301,412

Security deposits

Security deposits represent deposits required by lease agreements. These can be recovered upon termination of the lease agreement through refund or application to unpaid rent and/or other charges. Current portion are those to be applied within one year from financial reporting date.



Advance rent

Advance rent includes three-month advance rental paid by lessee as required under lease contract. These will be applied to the first or last three months rental depending on the contract terms of the related lease contract. These also include overpayments made by lessee against its monthly billings which will be applied to future billings. Current portion are those to be applied within one year from financial reporting date.

As a result of the execution of the Property-for-Share Swap and Deed of Assignment of Leases, the Sponsors effectively terminated the lease contracts assigned to VREIT and in turn, VREIT, as the new lessor, accounted for these assigned leases as new lease contracts. Accordingly, the Sponsors also transferred the related security deposits and advance rent on the assigned leases (see Note 1).

12. Equity

The details of the Company's common shares as of December 31, 2023 and 2022 follow:

	2023		2022	
	Shares	Amount	Shares	Amount
Authorized - at P1 par value				
Balances at beginning of year	15,000,000,000	₱15,000,000,000	2,000,000,000	₱2,000,000,000
Increase in authorized capital stock (Note 1)	—	—	13,000,000,000	13,000,000,000
Balances at end of year	15,000,000,000	₱15,000,000,000	15,000,000,000	₱15,000,000,000
Issued and outstanding				
Balances at beginning of year	7,500,000,000	₱7,500,000,000	510,000,000	₱510,000,000
Issuance of new shares (Note 1)	—	—	6,990,000,000	6,990,000,000
Balances at end of year	7,500,000,000	₱7,500,000,000	7,500,000,000	₱7,500,000,000

Initial Public Offering (IPO) of VREIT

On May 5, 2022, the SEC rendered effective the Company's REIT Plan and the registration of its 7,500.00 million common shares.

On June 15, 2022, the PSE approved the application of the Company for the initial listing of its 7,500.00 million common shares under the Main Board of the PSE, to cover the Company's IPO.

The Company was listed on the Main Board of the PSE on June 15, 2022 at an initial listing price of ₱1.75 per share (see Note 1).

Additional Paid-In Capital (APIC)

The Company recorded APIC amounting to ₱28,720.89 million, net of share issuance costs. The Company incurred transaction costs incidental to the IPO that are directly attributable to the issuance or subscription of new shares amounting to ₱242.10 million (see Note 1).

Net Asset Value (NAV)

The Company's NAV with investment properties at fair value amounted to ₱27,502.47 million, ₱26,163.74 million and ₱500.31 million as of December 31, 2023, 2022 and 2021, respectively. The NAV per share amounted to ₱3.67, ₱3.49 and ₱0.98 as of December 31, 2023, 2022 and 2021, respectively.



Dividend Declarations

2023

The BOD of the Company approved the declaration of regular cash dividend amounting to ₱289.50 million or ₱0.0386 per share, ₱294.00 million or ₱0.0392 per share, ₱297.00 million or ₱0.0396 per share and ₱300.00 million or ₱0.0400 on April 19, 2023, May 18, 2023, August 14, 2023 and November 14, 2023, respectively. The dividend declarations are in favor of all stockholders of record as of May 8, 2023, June 2, 2023, August 31, 2023, and December 14, 2023 which were paid on May 29, 2023, June 26, 2023, September 21, 2023 and January 9, 2024, respectively.

In 2023, the Company and the Sponsors entered into an agreement to offset the dividends payable of the Company with the Sponsors' payable to VREIT as of December 31, 2023 amounting to ₱763.02 million (see Note 15).

2022

The BOD of the Company approved the declaration of regular cash dividend amounting to ₱1.00 million or ₱0.0020 per share, ₱157.50 million or ₱0.0210 per share and ₱270.75 million or ₱0.0361 per share in March, August, and November 2022, respectively. The dividend declarations are in favor of all stockholders of record as of March 31, August 30 and November 28, 2022 which were paid on September 20 and December 19, 2022, respectively. As of December 31, 2022, unpaid dividends payable amounted to ₱175.01 million.

Registration Track Record

On May 12, 2022, the PSE approved the listing of the Company's common shares totaling to 7,500.00 million shares. The shares were initially issued at an offer price of ₱1.75 per share.

Below is the summary of the Company's track record of registration of securities with the SEC as at December 31, 2023:

	Number of Shares Registered	Number of holders of securities as of year end
December 31, 2020	10,000,000	6
Add/(deduct) movement	500,000,000	4
December 31, 2021	510,000,000	10
Add/(deduct) movement	6,990,000,000	5,140
December 31, 2022	7,500,000,000	5,150
Add/(deduct) movement	—	491
December 31, 2023	7,500,000,000	5,641

Capital Management

The primary objective of the Company's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Company establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Company's source of capital includes all the components of equity totaling ₱27,502.47 million and ₱26,163.74 million as of December 31, 2023 and 2022, respectively.



The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions.

The Company is subject to external capital requirement as a REIT to have a minimum paid-up capital of ₱500.00 million in compliance with Republic Act No. 9856 and implementing rules and regulations of REIT Act of 2009.

Financial Risk Assessment

The Company's financial condition and operating results would not be materially affected by the current changes in liquidity, credit, interest, currency and market conditions.

13. Other Operating Income

This account consists of (nil in 2021):

	2023	2022
Administrative fees	₱115,819,755	₱72,902,497
Advertising fees	27,508,672	21,148,024
Mall maintenance and security fees	27,089,357	15,014,910
Penalties and surcharges	2,196,042	2,019,867
Miscellaneous	881,864	102,722
	₱173,495,690	₱111,188,020

14. Income Tax

Provision for income tax consists of:

	2023	2022	2021
Current:			
RCIT	₱41,194,063	₱42,782,928	₱—
Final	10,547	4,210	3,667
	₱41,204,610	₱42,787,138	₱3,667

The Company's current tax in 2022 arising from RCIT pertains to the income tax due on the taxable results of operations of the Company before its listing date on June 15, 2022.

The Company, being a REIT entity, is required to distribute at least 90% of its distributable income as a dividend to its investors and is allowed to treat the dividend as deduction for tax purposes making it effectively an "income tax-free" entity. As such, the Company did not recognize deferred taxes on temporary differences after its listing as a REIT entity (see Note 5).

In 2023, the Company has incurred NOLCO which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years amounting to ₱135.96 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:

	2023	2022	2021
Provision for income tax at statutory income tax rate	25.00%	25.00%	25.00%
Tax effects of:			
Income already subjected to final tax	0.00%	0.00%	0.78%
Change in unrecognized deferred tax assets	0.00%	0.03%	(2,014.08%)
Provision on ECL	0.08%	—	—
Share issuance costs	—	0.63%	1,985.17%
Straight-line adjustment	(5.37%)	1.38%	0.00%
Loss on fair value changes	(5.27%)	(29.21%)	—
Deductible dividends	(12.83%)	1.72%	0.00%
Provision for income tax	1.61%	(0.45%)	(3.13%)

15. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence. Entities under common control are those entities outside the Company but are related parties of Fine Properties, Inc. Related parties may be individuals or corporate entities.

The Company has Material Related Party Transactions Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirement under Revised Securities Regulation Code Rule 68 and SEC Memorandum Circular 10, series 2019.

The Company has an approval requirement such that material related party transaction (RPT) shall be reviewed by the Risk Management Committee (the Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the threshold value as approved by the Committee amounting to 10% or higher of the Company's total assets based on its latest audited financial statements. The Company in its regular conduct of business has entered into transactions with related parties principally consisting of trade transactions from mall leasing, advances, reimbursement of expenses and purchase and sale of real estate properties. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

The Company in its regular conduct of business has entered into transactions with related parties principally consisting of trade transactions from mall leasing, advances, reimbursement of expenses and purchase and sale of real estate properties. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

The statements of financial position include the following amounts resulting from the foregoing transactions which represent amounts receivable (payable) with related parties as of December 31, 2023 and 2022:



2023

	Nature of Transaction	Volume	Receivable (Payable)	Terms	Conditions
<i>Receivables from tenants and accrued rental receivables (Note 9)</i>					
Sponsor Entities	a) Rental of office spaces	(P341,357)	P1,178,887	Noninterest-bearing	Unsecured; no impairment
Other related parties	a) Rental of office spaces	(1,679,122,855)	2,774,578,778	Noninterest-bearing	With guarantee from Fine Properties Inc., no impairment
			P2,775,757,665		
<i>Receivables from related parties</i>					
Sponsor Entities	b) Advances and land lease	(P96,336,647)	P353,023,078	Due and demandable; noninterest-bearing	Unsecured; no impairment
Entities under common control	b) Dividend	(763,021,684)	—	Due and demandable; noninterest-bearing	Unsecured; no impairment
	b) Advances	89,501,200	92,126,146	Due and demandable; noninterest-bearing	Unsecured; no impairment
			445,149,224		
<i>Payable to related parties</i>					
Parent company	b) Advances	(P1,470)	(P179,336,622)	Due and demandable; noninterest-bearing	Unsecured; no impairment
Fund manager	c) Management fees	(27,909,871)	(46,981,308)	Due and demandable; noninterest-bearing	Unsecured; no impairment
Property manager	c) Management fees	(27,909,871)	(43,699,458)	Due and demandable; noninterest-bearing	Unsecured; no impairment
			(P270,017,388)		

2022

	Nature of Transaction	Volume	Receivable (Payable)	Terms	Conditions
<i>Receivables from tenants and accrued rental receivables (Note 9)</i>					
Sponsor Entities	a) Rental of office spaces	(P1,179,739)	P1,520,244	Noninterest-bearing	Unsecured; no impairment
Other related parties	a) Rental of office spaces	(1,458,449,408)	1,200,239,596	Noninterest-bearing	With guarantee from Fine Properties Inc., no impairment
			P1,201,759,840		
<i>Receivables from related parties</i>					
Entities under common control	b) Advances	P1,176,934,525	P1,176,934,525	Due and demandable; noninterest-bearing	Unsecured; no impairment
<i>Payable to related parties</i>					
VLLI	b) Advances	(P174,752,881)	(P179,335,152)	Due and demandable; noninterest-bearing	Unsecured; no impairment
Sponsor entities	b) Advances and land lease	(54,054,316)	(54,054,316)	Due and demandable; noninterest-bearing	Unsecured; no impairment
Entities under common control	b) Advances	4,582,270	—	Due and demandable; noninterest-bearing	Unsecured; no impairment
Fund manager	c) Management fees	(19,380,911)	(19,380,911)	Due and demandable; noninterest-bearing	Unsecured; no impairment
Property manager	c) Management fees	(21,837,805)	(21,837,805)	Due and demandable; noninterest-bearing	Unsecured; no impairment
			(P274,608,184)		
<i>Dividends payable</i>					
Sponsor entities	d) Dividend	(P277,447,741)	(P175,011,310)	Due and demandable; noninterest-bearing	Unsecured

The significant transactions with related parties follow:

- a) The Company has operating lease agreements with entities under common control for the leases of commercial centers. The lease agreements are renewable and contain escalation clauses. Rental income and receivables including the effect of straight-line calculation from related parties amounted to P1,679.12 million and P2,774.58 million, respectively, as of December 31, 2023, and P1,458.45 million and P1,200.24 million, respectively, as of December 31, 2022. These



receivables from related parties which are recognized as 'Accounts receivable from tenants' and 'Accrued rental receivable' under 'Receivables' are not impaired (see Note 7).

Included in the related party tenants are the AllValue Holdings Corp. Group of Companies (AllValue Group), an anchor tenant, which is comprised of AllHome Corp., AllDay Marts, Inc., All Day Retail Concepts, Inc., Family Shoppers Unlimited, Inc., CM Star Management, Inc., and The Village Server, Inc. AllValue Group is engaged in retail businesses covering supermarkets, retail of apparel, construction materials and home/building appliances and furnishings. The lease agreements are renewable and contains escalation clauses.

Rental income and receivables from All Value Group including the effect of future lease rate escalation amounted to ₱1,557.03 million and ₱2,550.93 million, respectively, as of December 31, 2023 and ₱1,364.21 million and ₱1,108.29 million, respectively, as of December 31, 2022. These receivables from All Value Group which are recognized as 'Accounts receivable from tenants' and 'Accrued rental receivable' under 'Receivables' are not impaired (see Note 7).

Rental income and receivables from All Value Group without the effect of future escalation amounted to ₱1,027.29 million and ₱1,513.12 million, respectively, as of December 31, 2023 and ₱856.12 million and ₱600.19 million, respectively, as of December 31, 2022. These receivables from All Value Group are recognized as 'Accounts receivable from tenants' under 'Receivables' (see Note 7). These receivables are due and demandable.

b) *Advances*

The Company in its regular conduct of business has entered into transactions with ultimate parent company, VLLI and other related parties under common control principally consisting of noninterest bearing advances for working capital requirements and capital expenditures which are due and demandable. The Company's policy is to settle its intercompany receivables and payables on a net basis.

Land Lease

Several investment properties transferred through property-for-share swap are situated on land owned by its Sponsors or other related parties under VLLI. While the Company owns the ten (10) retail malls and two (2) office buildings, it leases the underlying land pursuant to separate lease agreements for each of the buildings. Pursuant to the deed of assignment and subscription, the Company and the Sponsors entered into lease agreements for the long-term lease of the land where the Properties are located with terms ranging from 15 to 25 years while rent is a percentage of the rental income for each property with rental rates ranging from 0.07% to 1.00%. Lease payments are purely based on variable rates. As such, right-of-use asset is not recognized.

Offsetting Agreement

In December 2023, MAPI and MC, as the Sponsors, entered into an offsetting agreement with VREIT to offset any financial obligations owed to each other under the terms of existing agreements between the parties and shall apply to all present and future financial obligations including but not limited to dividends, loans, advances and any other monetary transactions.



The following table represents the recognized financial instruments that are offset as of December 31, 2023 and shows in the 'Net' column the net impact on the Company's statements of financial position as a result of the offsetting rights.

<i>Dividend Offsetting</i>	December 31, 2023		
	Gross Amount	Offsetting	Net Amount
Receivables from related parties	₱1,493,667,004	₱—	₱1,493,667,004
Payable from land lease	—	(23,740,185)	(23,740,185)
Payable to related parties	—	(261,755,911)	(261,755,911)
Dividends payable (Note 12)	—	(763,021,684)	(763,021,684)
	₱1,493,667,004	(₱1,048,517,780)	₱445,149,224

c) *Management fees*

Management fees pertain to the amounts billed by VFund Management, Inc. (VFund) (formerly Communities Palawan, Inc.) and VProp Management, Inc. (VProp) (formerly LET Ventures, Inc.), entities both under common control of VLLI, pursuant to the agreements entered into by the Company. These are the fund manager and property management of the Company, respectively.

VFund's main responsibility is to manage the Company's assets and liabilities, with a focus on investment yields and profitability margins. It has general power of management over the assets of the Company, pursuant to the Fund Management Agreement, a 5-year, renewable agreement defining the relationship between the Company and the VFund.

VProp has the overall responsibility for the day-to-day facilities management of the Properties, marketing of the office and retail spaces therein, management of client accounts, lease administration, operations management, and handling of tenant relations. Specifically, VProp will oversee negotiation and execution of lease contracts, enforcement of lease terms and conditions, and awarding, extension, and termination of leases; supervision of billing and collection of rentals and other payments from tenants, as well as monitoring of past due accounts and receivables; and, building management operations relating to security, utilities, repairs, and maintenance, emergency management, including engagement of contractors for such purpose.

d) Details of dividends declared including the offsetting agreement are discussed in Note 12.

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 noninterest-bearing and are unsecured. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash.

Compensation of Key Management Personnel

The Company's accounting and administrative functions are handled by its Property and Fund managers, as well as the compensation of its key management personnel. Hence, disclosure of compensation for key management personnel, as required by PAS 24, *Related Party Disclosures*, is included in the financial statements of its property and fund managers.



16. Earning (Loss) Per Share (EPS)

Earnings (Loss) Per Share

The following table presents information necessary to compute the EPS:

	2023	2022	2021
Net income (loss) attributable to equity holder	₱2,519,236,794	(₱9,618,217,555)	(₱120,194)
Weighted average common shares	7,500,000,000	4,145,833,333	14,166,667
Basic/Diluted EPS	₱0.34	(₱2.32)	(₱0.01)

The basic and dilutive earnings per share are the same due to the absence of potentially dilutive common shares for the years ended December 31, 2023, 2022 and 2021.

17. Segment Reporting

The Company has determined that it is currently operating as one operating segment. Based on management's assessment, no part or component of the business of the Company meets the qualifications of an operating segment as defined by PFRS 8, *Operating Segments*.

The Company's 12-building lease operation is its only income-generating activity, and such is the measure used by management in allocating resources.

Rental income amounting to ₱1,557.03 million or 65% and ₱1,364.21 million or 70% of the Company's revenue was generated from anchor tenants as defined in Note 15 for the year ended December 31, 2023 and 2022, respectively.

There is no cyclicalality in the Company's operations.

18. Fair Value Determination

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Other valuation techniques involving inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash in banks, accounts receivable from tenants, other receivables, receivables from related parties, accounts and other payables (except for deferred output VAT and other statutory payables), payable to related parties, dividends payable and security deposits: Due to the short-term nature of the accounts, the fair values approximate the carrying amounts in the statements of financial position.



The carrying amount of the noncurrent portion of security deposits approximates its fair value at year-end.

In 2023 and 2022, there were no transfers between Levels of fair value measurements.

19. Financial Assets and Liabilities

Financial Risk Management Objectives and Policies

Financial risk

The Company's principal financial liabilities comprise of accounts and other payables (except for deferred output VAT and other statutory payables) security deposits and payable to related parties. The main purpose of the Company's financial liabilities is to raise financing for the Company's operations. The Company has various financial assets such as cash, receivables (except for advances to contractors) and receivables from related parties which arise directly from its operations. The main risks arising from the use of financial instruments are credit risk and liquidity risk.

The BOD reviews and approves with policies for managing each of these risks. The Company monitors market price risk arising from all financial instruments and regularly report financial management activities and the results of these activities to the BOD.

The Company's risk management policies are summarized below. The exposure to risk and how they arise, as well as the Company's objectives, policies and processes for managing the risk and the methods used to measure the risk did not change from prior years.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily from receivables from tenants and from its investing activities primarily from short-term cash investments with banks and financial institutions.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Receivables are regularly monitored.

With respect to credit risk arising from the other financial assets of the Company, which are comprised of cash in banks, trade receivables and receivable from related parties, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company manages its cash by maintaining deposit accounts with banks which have demonstrated financial soundness for several years.

The Company evaluates the concentration of risk with respect to receivables from third party tenants as low, as its customers are located in several jurisdictions and various income brackets and operate in largely independent markets.

The Company evaluates the concentration of risk with respect to receivable from related parties (refer to Notes 15 and 17). The related parties have a strong capacity to meet their contractual cash flows and/or provided with financial support by Fine Properties, Inc., the ultimate parent company.



Credit risk arising from receivable from third party tenants is primarily managed through a screening of tenants based on credit history and financial information submitted. Tenants are required to pay security deposits equivalent to 3-months lease payment to cover any defaulting amounts and advance rentals also equivalent to 3-month rent.

Credit risk arising from receivable from related party tenants, aside from the same terms of security deposits and advance rent, is minimal due to the guarantee provided by Fine Properties, Inc., the ultimate parent company.

Credit risk arising from receivables from related parties is minimal as they have a low risk of default and have a strong capacity to meet their contractual cash flows in the near term.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

As of December 31, 2023 and 2022, the credit quality per class of financial assets is as follows:

2023

	Neither Past Due nor Impaired			Past due but not Impaired	Impaired	Total
	High Grade	Standard	Substandard Grade			
Cash in banks	₱30,034,545	₱-	₱-	₱-	₱-	₱30,034,545
Receivables from tenants and accrued rental receivable	1,146,940,839	-	-	1,711,422,169	8,536,668	2,866,899,676
Other receivables	5,772,816	-	-	-	-	5,772,816
Receivable from related parties	445,149,224	-	-	-	-	445,149,224
	₱1,627,897,424	₱-	₱-	₱1,711,422,169	₱8,536,668	₱3,347,856,261

2022

	Neither Past Due nor Impaired			Past due but not Impaired	Impaired	Total
	High Grade	Standard	Substandard Grade			
Cash in banks	₱88,911,748	₱-	₱-	₱-	₱-	₱88,911,748
Receivables from tenants and accrued rental receivable	793,744,546	-	-	421,251,178	-	1,214,995,724
Other receivables	5,312,614	-	-	-	-	5,312,614
Receivable from related parties	1,176,934,525	-	-	-	-	1,176,934,525
	₱2,064,903,433	₱-	₱-	₱421,251,178	₱-	₱2,486,154,611

The Company's basis in grading its receivables is as follow:

High-grade - pertain to receivables from related parties which based on experience are highly collectible or collectible on demand, and of which exposure to bad debt is not significant. High-grade receivables from tenants and accrued rent receivable are receivables which have a high probability of collection (i.e., the counterparty has the apparent ability to satisfy its obligation and the security on receivables are readily enforceable).

Standard - pertain to active accounts with minimal to regular instances of payment default, due to ordinary/common collection issues. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.



Substandard - pertain to receivables that can be collected provided the Company makes persistent effort to collect them.

Cash in banks and deposited/placed in banks that are stable as they qualify either as universal or commercial banks. Universal and commercial banks represent the largest single Company, resource-wide, of financial institutions in the country the Company is operating. They offer the widest variety of banking services among financial institutions. These financial assets are classified as high grade due to the counterparties' low probability of insolvency.

As of December 31, 2023 and 2022, the aging analyses of the Company's receivables are as follows:

2023

	Current	Past due but not impaired				Impaired	Total
		1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days		
Accrued rent receivable	₱1,079,861,279	₱-	₱-	₱-	₱-	₱-	₱1,079,861,279
Receivables from tenants	67,079,560	68,426,462	125,173,125	44,009,515	1,473,813,067	8,536,668	1,787,038,397
Other receivables	5,772,816	-	-	-	-	-	5,772,816
Receivables from related parties	445,149,224	-	-	-	-	-	445,149,224

2022

	Current	Past due but not impaired				Impaired	Total
		1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days		
Accrued rent receivable	₱529,498,625	₱-	₱-	₱-	₱-	₱-	₱529,498,625
Receivables from tenants	264,245,921	43,440,624	-	154,821,615	222,988,939	-	685,497,099
Other receivables	5,312,614	-	-	-	-	-	5,312,614
Receivables from related parties	1,176,934,525	-	-	-	-	-	1,176,934,525

Current receivables include billed lease receivables and accrued rent receivables which are not yet contractually collectible. Past due but not impaired include lease receivables which are aged 31 to over 90 days but collection is still probable. Impaired receivables are lease receivables from terminated tenants which are less likely to be collected.

The Company has collaterals in the form of security deposits and advance rent with respect to billed lease receivables that have been identified as past due but not impaired.

Applying the expected credit risk model resulted to recognition of impairment loss in 2023 (nil in 2022).

Liquidity Risk

The Company monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Company maintains a level of cash deemed sufficient to finance its cash requirements. Operating expenses and working capital requirements are sufficiently funded through cash collections.

The extent and nature of exposures to liquidity risk and how they arise as well as the Company's objectives, policies and processes for managing the risk and the methods used to measure the risk are the same for 2023 and 2022.



Maturity Profile of Financial Liabilities

The tables below summarize the maturity profile of the Company's financial liabilities as at December 31, 2023 and 2022 based on undiscounted contractual payments, including interest payable.

	December 31, 2023				Total
	On Demand	1 to 3 Months	3 to 12 Months	More than 1 year	
Financial Liabilities					
<i>Financial liabilities at amortized cost</i>					
Accounts and other payables*	₱—	₱358,954,278	₱210,569,603	₱174,066,315	₱743,590,196
Payable to related parties	270,017,388	—	—	—	270,017,388
Dividends payable	103,571,984	—	—	—	103,571,984
	₱373,589,372	₱358,954,278	₱210,569,603	₱174,066,315	₱1,117,179,568

*Excluding deferred output VAT and other payables and including security deposit.

	December 31, 2022				Total
	On Demand	1 to 3 Months	3 to 12 Months	More than 1 year	
Financial Liabilities					
<i>Financial liabilities at amortized cost</i>					
Accounts and other payables*	₱—	₱213,752,448	₱338,321,846	₱24,180,197	₱576,254,491
Payable to related parties	274,608,184	—	—	—	274,608,184
Dividends payable	175,011,310	—	—	—	175,011,310
	₱449,619,494	₱213,752,448	₱338,321,846	₱24,180,197	₱1,025,873,985

*Excluding deferred output VAT and other payables and including security deposit.

20. Leases

The Company as a Lessor

The Company has entered into non-cancellable property leases on its investment property portfolio, consisting of retail mall spaces and office buildings which generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rental receivables under non-cancellable operating leases as of December 31, 2023 and 2022 follow:

	2023	2022
Within one year	₱1,542,418,607	₱1,452,772,715
More than 1 year to 2 years	1,580,968,523	1,541,988,074
More than 2 years to 3 years	1,367,304,545	1,551,581,789
More than 3 years to 4 years	1,108,572,025	1,305,152,699
More than 4 years to 5 years	1,043,032,622	1,052,320,661
More than five years	6,706,439,914	7,713,094,699
	₱13,348,736,236	₱14,616,910,637

Rental income, including straight-line adjustments, included in the statements of comprehensive income for the years ended December 31, 2023 and 2022 amounted to ₱2,411.02 million and ₱1,957.57 million, respectively (nil in 2021).

Contingent rent included in the statements of comprehensive income for the years ended December 31, 2023 and 2022 amounted to ₱1,046.43 million and ₱1,066.74 million, respectively (nil in 2021).



21. Notes to Statements of Cash Flows

Details of the movement in cash flows from financing activities follow:

2023

	January 1, 2023	Cash Flows	Non-cash Changes		December 31, 2023
			Dividend Declared	Off-setting	
			P=	P=	
Payables to related parties	₱274,608,184	(₱4,590,796)			₱270,017,388
Dividends payable	175,011,310	(488,917,642)	1,180,500,000	(763,021,684)	103,571,984
Total liabilities from financing activities	₱449,619,494	(₱493,508,438)	₱1,180,500,000	(₱763,021,684)	₱373,589,372

2022

	January 1, 2022	Cash Flows	Non-cash Changes	December 31, 2022
Payables to related parties	₱4,582,270	₱270,025,914	P=	₱274,608,184
Dividends payable	—	(254,238,690)	429,250,000	175,011,310
APIC	—	(242,098,894)	28,962,992,730	28,720,893,836
Total liabilities from financing activities	₱4,582,270	(₱226,311,670)	₱29,392,242,730	₱29,170,513,330

The Company's noncash investing and financing activities in 2023 and 2022 pertain to the following:

- In 2023, unpaid additions to Property and equipment and Investment properties amounting to ₱0.57 million and ₱31.22 million, respectively.
- In 2023, increase in fair value of investment properties amounting to ₱539.54 million.
- In 2022, transfer of investment properties as a result of the Property-for-Share Swap executed between the Sponsors Companies and VREIT amounting to ₱35,952.99 million; and
- In 2022, issuance of share of stock of ₱6,990.00 million as a result of the Property-for-Share Swap which resulted to increase in additional paid-in capital of ₱28,720.89 million net of share issuance costs of ₱242.10 million.
- In 2023, the Company and the Sponsors entered into an agreement to offset the dividends payable and payable from land lease of the Company with the Sponsors' payable to VREIT as of December 31, 2023 amounting to ₱763.02 million and ₱23.74 million, respectively.

22. Subsequent Events

Dividend Declaration

On April 15, 2024, the BOD of the Company approved the declaration of regular cash dividends amounting to ₱403.50 million or ₱0.0538 per share. The dividend declarations are in favor of all stockholders of record as of May 7, 2024 and are expected to be paid on May 28, 2024.

23. Approval of the Financial Statements

The financial statements of the Company as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 were authorized for issue by the BOD on April 15, 2024.



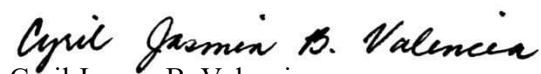
INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
VistaREIT, Inc.
Lower Ground Floor, Building B, Evia Lifestyle Center
Daanghari, Almanza Dos, Las Piñas City

We have audited the accompanying financial statements of VistaREIT, Inc. (the Company) as at and for the year December 31, 2023, on which we have rendered the attached report dated April 15, 2024.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the above Company has 5,629 stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.



Cyril Jasmin B. Valencia

Partner

CPA Certificate No. 90787

Tax Identification No. 162-410-623

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

BIR Accreditation No. 08-001998-074-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10082027, January 6, 2024, Makati City

April 15, 2024

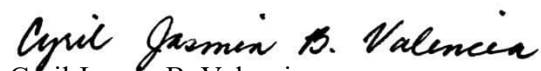


INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
VistaREIT, Inc.
Lower Ground Floor, Building B, Evia Lifestyle Center
Daanghari, Almanza Dos, Las Piñas City

We have audited in accordance with Philippine Standards on Auditing, the accompanying financial statements of VistaREIT, Inc. (the Company) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 15, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules, are the responsibility of the Company'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 financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Cyril Jasmin B. Valencia

Partner

CPA Certificate No. 90787

Tax Identification No. 162-410-623

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

BIR Accreditation No. 08-001998-074-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10082027, January 6, 2024, Makati City

April 15, 2024

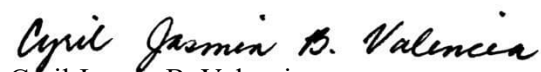


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
VistaREIT, Inc.
Lower Ground Floor, Building B, Evia Lifestyle Center
Daanghari, Almanza Dos, Las Piñas City

We have audited in accordance with Philippine Standards on Auditing, the accompanying financial statements of VistaREIT, Inc. (the Company) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 15, 2024. Our audits were made for the purpose of forming an opinion on the 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 Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) 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 Securities and Exchange Commission and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Cyril Jasmin B. Valencia

Partner

CPA Certificate No. 90787

Tax Identification No. 162-410-623

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

BIR Accreditation No. 08-001998-074-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10082027, January 6, 2024, Makati City

April 15, 2024



VISTAREIT, INC. (Formerly Vista One, Inc.)

INDEX TO SUPPLEMENTARY SCHEDULES

Report of Independent Auditors on Supplementary Schedules

- I. Schedule of Financial Soundness Indicators (Part 1, Annex 68-E)
- II. Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1, Annex 68-D)
- III. Supplementary schedules required by Annex 68-J
 - 1. Financial Assets (Current Marketable Equity and Debt Securities and Other Short-Term Cash Investments)
 - 2. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
 - 3. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
 - 4. Long-term Debt
 - 5. Indebtedness to Related Parties
 - 6. Guarantees of Securities of Other Issuers
 - 7. Capital Stock
- IV. Map of the relationships of the Company within the Group
- V. Computation of Distributable Income

VISTAREIT, INC. (Formerly Vista One, Inc.)**SUPPLEMENTARY SCHEDULE ON FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2023**

Below are the financial ratios that are relevant to the Company for the year ended December 31, 2023 and 2022.

		2023	2022
Current ratio	<u>Current assets</u> Current liabilities	1.98	1.64
Acid test ratio	<u>Quick asset¹</u> Current liabilities	1.95	1.54
Solvency ratio	<u>Net income + Depreciation</u> Total liabilities	1.69	–
Debt ratio	<u>Interest bearing debt</u> Total assets	–	–
Asset to equity ratio	<u>Total assets</u> Total equity	1.05	1.05
Interest service coverage ratio	<u>EBITDA²</u> Total interest paid	–	–
Return on equity	<u>Net income</u> Total equity	0.09	(0.37)
Return on assets	<u>Net income</u> Average total assets ³	1.03	(0.69)
Net profit margin	<u>Net income</u> Net revenue	0.96	(4.58)

¹Includes cash in banks, current portion of receivables and receivable from related parties

²Earnings before provision for income tax and depreciation

³Average of total assets as at current year and preceding year

VISTAREIT, INC. (Formerly Vista One, Inc.)**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2023**

Unappropriated Retained Earnings, beginning of reporting period	₱1,142,391,356
--	----------------

Add: Category A: Items that are directly credited to**Unappropriated Retained Earnings**

Reversal of Retained Earnings Appropriation/s	—
Effect of restatements or prior-period adjustments	—
Others	—

Less: Category B: Items that are directly debited to**Unappropriated Retained Earnings**

Dividend declaration during the reporting period	(1,180,500,000)
Retained Earnings appropriated during the reporting period	—
Effect of restatements or prior-period adjustments	—
Others	—
	<u>(1,180,500,000)</u>

Unappropriated Retained Earnings, as adjusted	(38,108,644)
--	--------------

Add/Less: Net Income (loss) for the current year	2,526,481,443
---	---------------

Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)

Equity in net income of associate/joint venture, net of dividends declared	—
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	—
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Unrealized fair value gain of Investment Property (Note A)	(539,536,428)
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS – Straight-line income adjustment (Note A)	(550,362,654)
Sub-total	<u>(1,089,899,082)</u>

Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)

Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Realized fair value gain of Investment Property	—
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—
Sub-total	<u>—</u>

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	—
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Reversal of previously recorded fair value gain of Investment Property	—
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	—
Sub-total	—
Adjusted Net Income/Loss	1,436,582,361

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	—
Sub-total	—

Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP

Amortization of the effect of reporting relief	—
Total amount of reporting relief granted during the year	—
Others	—
Sub-total	—

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)	—
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	—
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	—
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—
Others	—
Sub-total	—

Total Retained Earnings, end of the reporting period available for dividend declaration

₱1,398,473,717

Note A: In reference to REIT Act IRR Section 4(f), reconciling items are non-actual gains/ non-realized gains.

SCHEDULE A

VISTAREIT, INC. (Formerly Vista One, Inc.)

SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS

DECEMBER 31, 2023

The Company does not have financial assets classified under available-for-sale, fair value through profit or loss and held to maturity as at December 31, 2023.

VISTAREIT, INC. (Formerly Vista One, Inc.)

**SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM
DIRECTORS, OFFICERS, EMPLOYEES, AND PRINCIPAL STOCKHOLDERS
(OTHER THAN RELATED PARTIES)
DECEMBER 31, 2023**

The Company does not have amounts receivable from directors, officers, employees, and principal stockholders (other than related parties) as at December 31, 2023 except for receivables from employees amounting to ₱0.02 million.

SCHEDULE C**VISTAREIT, INC. (Formerly Vista One, Inc.)**

**SUPPLEMENTARY SCHEDULE OF AMOUNT RECEIVABLE FROM
RELATED PARTIES WHICH ARE ELIMINATED DURING THE
CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2023**

	Receivable Balance	Payable Balance	Current Portion
Total Eliminated Receivables/Payables	N/A	N/A	N/A

SCHEDULE D**VISTAREIT, INC. (Formerly Vista One, Inc.)****SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2023**

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	Maturity date
N/A	N/A	N/A	N/A	N/A

SCHEDULE E

VISTAREIT, INC. (Formerly Vista One, Inc.)

**SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT INDEBTEDNESS TO
RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2023**

Indebtedness to Related Parties (Long-term Loans from Related Companies)		
Name of related party	Balance at beginning of period	Balance at end of period
N/A	N/A	N/A

SCHEDULE F**VISTAREIT, INC. (Formerly Vista One, Inc.)****SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF
OTHER ISSUERS
DECEMBER 31, 2023****Guarantees of Securities of Other Issuers**

Name of issuing entity of securities guaranteed by the Company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding	Amount owned by person for which statement is file	Nature of guarantee
N/A	N/A	N/A	N/A	N/A

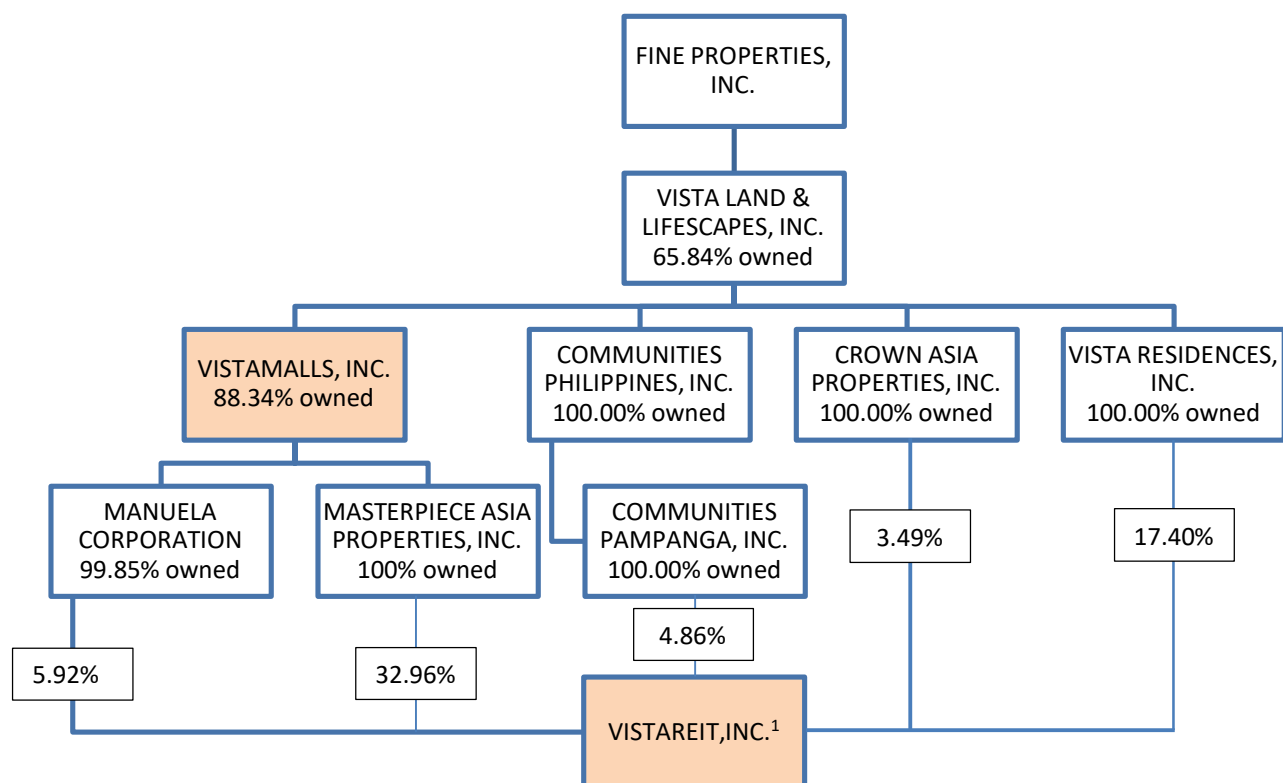
SCHEDULE G**VISTAREIT, INC. (Formerly Vista One, Inc.)****SUPPLEMENTARY SCHEDULE OF CONTRIBUTED CAPITAL
DECEMBER 31, 2023**

Contributed Capital						
Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common stock, P1 par value	15,000,000,000	7,500,000,000	—	4,853,160,000	5,500,000	—

VISTAREIT, INC. (Formerly Vista One, Inc.)

COMPANY STRUCTURE

DECEMBER 31, 2023



¹Remaining 35.29% are owned by the public and the remaining by individual shareholders.

VISTAREIT, INC. (Formerly Vista One, Inc.)**COMPUTATION OF DISTRIBUTABLE INCOME
DECEMBER 31, 2023**

Net Income		₱2,519,236,794
Less: Fair value change in investment properties (Note A)		539,536,428
Straight-line adjustments (Note A)		550,362,654
Distributable income		1,429,337,712
Dividends distributed		
Dividends paid on June 26, 2023	294,000,000	
Dividends paid on September 21, 2023	297,000,000	
Dividends paid on January 9, 2024	300,000,000	
Dividends declared on April 15, 2024	403,500,000	1,294,500,000
Dividend Payout Ratio, as % of distributable income		90.57%

Note A: In reference to REIT Act IRR Section 4(f), reconciling items are non-actual gains/ non-realized gains.

COVER SHEET

SEC Registration Number

C S 2 0 2 0 0 6 7 2 5

Company Name

V I S T A R E I T , I N C .

Principal Office (No./Street/Barangay/City/Town/Province)

L O W E R G R O U N D F L O O R , B U I L D I N G
B , E V I A L I F E S T Y L E C E N T E R ,
D A A N G H A R I , A L M A N Z A D O S ,
L A S P I Ñ A S C I T Y

COMPANY INFORMATION

Company's Email Address

ir@vistareit.com.ph

Company's Telephone Number/s

(02) 8994-4377

Company's Facsimile Number/s

-

CONTACT PERSON INFORMATION

Name of Contact Person
Number/s

Melissa Camille Z. Domingo

Email Address

melissa_domingo@vistaland.com.ph

Telephone Number/s Facsimile

0999 887 3219

-

FORM TYPE

1 7 - C

Department requiring report

Secondary License Type, If
Applicable

(To be accomplished by SEC personnel)

File No.

LCU

Document

I.D.

CASHIER

Remarks:

Please use BLACK ink for scanning purposes

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **October 16, 2023**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **CS202006725**
3. BIR Tax Identification No. **010-510-144-000**
4. **VISTAREIT, INC.**
Exact name of issuer as specified in its charter
5. **Philippines**
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code:
7. **Lower Ground Floor, Building B, Evia Lifestyle Center, Daang Hari, Almanza Dos, Las Piñas City**
Address of principal office **1750**
Postal Code
8. **(02)89944377**
Issuer's telephone number, including area code
9. **N/A**
Former name or former address, 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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common stock	7,500,000,000

11. Indicate the item numbers reported herein:

Item No. 9 - Other Events

Please find attached the final progress report of VISTAREIT, INC. on the application of proceeds from the Initial Public Offering ("IPO") of its 2,750,000,000 common shares via Secondary Offering.

Thank you.

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 hereunto duly authorized.

VISTAREIT, INC.
Issuer

October 16, 2023
Date



MELISSA CAMILLE Z. DOMINGO
CFO & Head, Investor Relations

October 16, 2023

THE PHILIPPINE STOCK EXCHANGE, INC.

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

Attention: **Ms. Alexandra D. Tom Wong**
OIC, Disclosure Department

Subject: **Final Report on the Application of Proceeds
from the Initial Public Offering ("IPO") of VistaREIT, Inc.
via Secondary Offering**

Dear Ms. Tom Wong,

In compliance with the disclosure requirements of the Philippine Stock Exchange, we submit herewith our final report on the application of the net proceeds received from the sale of shares owned by the subsidiaries of Vista Land & Lifescapes, Inc. (*Manuela Corporation, Masterpiece Asia Properties, Inc., Crown Asia Properties, Inc., Vista Residences, Inc., and Communities Pampanga, Inc., collectively as "the Sponsors"*) in VistaREIT, Inc. on June 15, 2022 via secondary offering amounting to Four Billion Four Hundred Forty-One Million One Thousand Nine Hundred Fifty-Seven Pesos (P4,441,001,957). Further attached is the report of VLLI's external auditor.

As of October 06, 2023, the Sponsors already disbursed the total net proceeds amounting to Four Billion Four Hundred Forty-One Million One Thousand Nine Hundred Fifty-Seven Pesos (P4,441,001,957).


The details are as follows:

Gross Proceeds from the IPO	P4,812,500,000
Less: Utilized stabilization fund	(177,182,955)
Underwriters and IPO related fees	(157,426,159)
Disbursements for transaction costs	(36,888,929)
Net proceeds received	P4,441,001,957
Less: Disbursement for Reinvestment Plan (Annex A)	(4,441,001,957)
Net Balance of IPO proceeds as of October 06, 2023	P0.00


Thank you!

(Signature page follows)

Very truly yours,



Brian N. Edang
The Sponsors
CFO/Treasurer



Melissa Camille Z. Domingo
VistaREIT, Inc.
CFO & Head, Investor Relations

Signature Page to the Final Report on the Application of Proceeds from the Initial Public Offering
("IPO") of VistaREIT, Inc. via Secondary Offering

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANDALUYONG) S.S.


BEFORE ME, a Notary Public for and in the City of MANDALUYONG CITY, Philippines on OCT 16 2023,
personally appeared the following with their respective identification, to wit:

Name	Passport ID No.	Date and Place of Issue
The Sponsors <i>Represented by:</i> Brian N. Edang	P9937644A	14 Dec 18 at DFA NCR East
VistaREIT, Inc. <i>Represented by:</i> Melissa Camille Z. Domingo	P7271420B	26 Jul 21 at DFA Manila

known to me and to me known to be the same persons who executed the foregoing agreement and who acknowledged to me that the same is their free will and voluntary act and deed that of the corporation they represent.

WITNESS MY HAND AND NOTARIAL SEAL on the date and place first above written.

Doc. No. 428 ;
Page No. 87 ;
Book No. XIV ;
Series of 2023.


ATTY. ARBIN OMAR P. CARINO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 57146
IBP Lifetime Member No. 018537
PTR No. 5110055 / 04 Jan. 2023 / Mandaluyong City
MCLE Compliance No. VII-0020373 issued dated 03 June 2022
Notarial Commission Appointment No. 0358-23
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

Annex A: Disbursements from the IPO Net Proceeds

Project	Amount Spent	Disbursing Entity
Vista Estate	₱13,910,608	Masterpiece Asia Properties, Inc.
Vista Estate	37,209,011	Masterpiece Asia Properties, Inc.
Vista Estate	2,258,700	Masterpiece Asia Properties, Inc.
Vista Estate	2,548,921	Masterpiece Asia Properties, Inc.
Vista Estate	24,767,768	Masterpiece Asia Properties, Inc.
Vista Estate	10,979,714	Masterpiece Asia Properties, Inc.
Vista Estate	322,679	Household Development Corporation
Vista Estate	704,531	Household Development Corporation
Vista Estate	835,694	Household Development Corporation
Vista Estate	29,804,913	Communities Ilocos, Inc.
Vista Estate	4,695,425	Communities Ilocos, Inc.
Vista Estate	7,902,857	Household Development Corporation
Vista Estate	175,234,352	Household Development Corporation
Vista Estate	93,896,015	Household Development Corporation
Vista Estate	8,598,665	Communities Pampanga, Inc.
Vista Estate	4,858,276	Communities Bulacan, Inc.
Vista Estate	44,261,516	Communities Cagayan, Inc.
Hawthorne Heights	744,451,807	Vista Residences, Inc.
Vista Pointe	370,422,189	Vista Residences, Inc.
Vista Recto	101,477,138	Vista Residences, Inc.
Plumeria Heights	872,893,698	Vista Residences, Inc.
Spectrum	361,985,986	Crown Asia Properties, Inc.
Valenza Mansions	26,158,882	Crown Asia Properties, Inc.
Hermosa	243,204,408	Household Development Corporation
The Courtyard	81,989,401	Household Development Corporation
The Courtyard	127,306,440	Household Development Corporation
Costa Vista Boracay (Condo)	5,067,266	Vista Residences, Inc.
Vidarte (Antipolo/Condo)	30,494,706	Household Development Corporation
Suarez Vertical (Condo)	342,981,380	Vista Residences, Inc.
Canyon Hill Condo	40,804,741	Vista Residences, Inc.
Pine Hill Condo	121,826,851	Vista Residences, Inc.
SkyArt (Condo)	125,427,739	Vista Residences, Inc.
Tagaytay Alpine (Condo)	122,519,635	Brittany Corporation
Bradbury (Condo)	259,200,045	Vista Residences, Inc.
TOTAL	₱4,441,001,957	

STRICTLY CONFIDENTIAL

**AGREED-UPON PROCEDURES REPORT ON THE FINAL REPORT ON THE APPLICATION
OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING VIA SECONDARY OFFERING**

VistaREIT, Inc.

Lower Ground Floor, Building B,
Evia Lifestyle Center, Daang Hari, Almanza Dos

Attention: **Mr. Brian N. Edang**
Chief Financial Officer and Head of Investor Relations
Vista Land & Lifescapes, Inc.

Ms. Melissa Camille Z. Domingo
Chief Financial Officer and Head of Investor Relations
VistaREIT, Inc.

Dear Mr. Edang and Ms. Domingo:

Purpose of this Agreed-Upon Procedures

We have performed the procedures, which were agreed to by **VistaREIT, Inc.** (the “Company”) and enumerated below with respect to the Final Report on the Application of Proceeds from the Initial Public Offering (“IPO”) of the Company via Secondary Offering (“Subject Matter”) for the period covered **June 15, 2022 to October 6, 2023**. Our report is solely for the purpose of assisting the Company in complying with the requirements of the Philippine Stock Exchange (PSE) relating to the application of proceeds from the sale of shares of the Company via secondary offering, and this may not be suitable for another purpose.

Restrictions on Use

This Agreed-Upon Procedures Report (“AUP Report”) is intended solely for the information and use of the Company and the PSE and is not intended to be and should not be used by anyone else.

Responsibilities of the Company

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

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

Practitioner's Responsibilities

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

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

Professional Ethics and Quality Control

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

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

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in the terms of engagement dated October 11, 2023, on the Subject Matter.

We report our findings below:

1. Obtained the Final Report on the Application of Proceeds from the Initial Public Offering of the Company via Secondary Offering for the period covered June 15, 2022 to October 6, 2023 (the "Schedule") and checked the mathematical accuracy of the Schedule. We did not note any difference.
2. We compared the disbursements in the Schedule with the schedule of application of proceeds for the period covered June 15, 2022 to October 6, 2023. We did not note any difference.
3. Selected at least 77% of the total amount of disbursements based on highest to lowest value of transactions. The samples selected were traced to the supporting documents such as progress billings, bank statements, invoices and official receipts, and agreed the amount to the accounting records. We noted that the total disbursements amounted to ₱4,441,001,957 for the period covered June 15, 2022 to October 6, 2023. We did not note any exceptions.

4. Selected at least 77% of the total amount of disbursements based on highest to lowest value of transactions. Compared the nature of these samples as indicated in the Final Report to the nature of disbursements provided in the schedule of planned use of proceeds from the Secondary Offering. We did not note any exceptions.

Explanatory Paragraph


The Company is responsible for the source documents that are described in the specified procedures and related findings section. We were not engaged to perform and we have not performed any procedures other than those previously listed. We have not performed procedures to test the accuracy or completeness of the information provided to us except as indicated in our procedures.

Furthermore, we have not performed any procedures with respect to the preparation of any of the source documents.

This AUP report relates only to the Final Report for the period covered June 15, 2022 to October 6, 2023, as specified above and do not extend to the financial statements of the Company, taken as a whole.

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

SYCIP GORRES VELAYO & CO.



Ysmael S. Acosta
Partner

CPA Certificate No. 112825

Tax Identification No. 301-106-775

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

SEC Partner Accreditation No. 112825-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. 08-001998-130-2020, November 27, 2020, valid until November 26, 2023

PTR No. 9369766, January 3, 2023, Makati City

October 16, 2023

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANDALUYONG) S.S.


BEFORE ME, a Notary Public for and in the City of MANDALUYONG CITY, Philippines on OCT 16 2023,
personally appeared the following with their respective identification, to wit:

Name	PRC ID No.	Place of Issue and Valid Until
Ysmael S. Acosta	0112825	PRC valid until 06 Sep 2025

known to me and to me known to be the same persons who executed the foregoing agreement and who acknowledged to me that the same is their free will and voluntary act and deed that of the corporation they represent.

WITNESS MY HAND AND NOTARIAL SEAL on the date and place first above written.

Doc. No. 479;
Page No. 87;
Book No. XIV;
Series of 2023.


ATTY. ARBIN OMAR P. CARINO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 57146
IBP Lifetime Member No. 018537
PTR No. 5110655 / 04 Jan. 2023 / Mandaluyong City
MCLE Compliance No. VII-0020373 issued date 03 June 2022
Notarial Commission Appointment No. 0388-23
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

COVER SHEET

SEC Registration Number

C	S	2	0	2	0	0	6	7	2	5
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Company Name

[illegible]

Principal Office (No./Street/Barangay/City/Town/Province)

[illegible]

COMPANY INFORMATION

Company's Email Address

ir@vistareit.com.ph

Company's Telephone Number/s

(02) 8994-4377

Company's Facsimile Number/s

—

CONTACT PERSON INFORMATION

Name of Contact Person
Number/s

Melissa Camille Z. Domingo

Email Address

melissa_domingo@vistaland.com.ph

Telephone Number/s Facsimile

0999 887 3219

1

FORM TYPE

1	7	-	C
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Department requiring report

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Secondary License Type, If Applicable

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(To be accomplished by SEC personnel)

File No.

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Journal compilation © 2006 Blackwell Publishing Ltd, *Journal of Internal Medicine* 260: 459–467

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Document

I.D.

CASHIER

Remarks:

Please use BLACK ink for scanning purposes

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **October 16, 2023**
Date of Report (Date of earliest event reported)
2. SEC Identification Number CS202006725
3. BIR Tax Identification No. 010-510-144-000
4. **VISTAREIT, INC.**
Exact name of issuer as specified in its charter
5. Philippines
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code:
7. Lower Ground Floor, Building B, Evia Lifestyle Center, Daang Hari, Almanza Dos, Las Piñas City
Address of principal office
- 1750
Postal Code
8. (02)89944377
Issuer's telephone number, including area code
9. N/A
Former name or former address, 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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common stock	7,500,000,000

11. Indicate the item numbers reported herein:

Item No. 9 - Other Events

Please find attached the 2023 3rd quarter progress report of VISTAREIT, INC. on the application of proceeds from the Initial Public Offering ("IPO") of its 2,750,000,000 common shares via Secondary Offering.

Thank you.

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 hereunto duly authorized.

VISTAREIT, INC.
Issuer

October 16, 2023
Date


MELISSA CAMILLE Z. DOMINGO
CFO & Head, Investor Relations

October 16, 2023

THE PHILIPPINE STOCK EXCHANGE, INC.

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

Attention: **Ms. Alexandra D. Tom Wong**
OIC, Disclosure Department

Subject: **2023 Third Quarter Progress Report on the Application of Proceeds
from the Initial Public Offering ("IPO") of VistaREIT, Inc.
via Secondary Offering**

Dear Ms. Tom Wong,

In compliance with the disclosure requirements of the Philippine Stock Exchange, we submit herewith our 2023 third quarter progress report on the application of proceeds received from the sale of shares owned by the subsidiaries of Vista Land & Lifescapes, Inc. (*Manuela Corporation, Masterpiece Asia Properties, Inc., Crown Asia Properties, Inc., Vista Residences, Inc., and Communities Pampanga, Inc., collectively as "the Sponsors"*) in VistaREIT, Inc. via secondary offering for the period covering July 01 to September 30, 2023. Further attached is the report of VLLI's external auditor.

As of September 30, 2023, the remaining balance of the proceeds from the secondary offering amounts to Forty-Five Million Four Hundred Fourteen Thousand Three Hundred Seventy-One Pesos (**P45,414,371**).

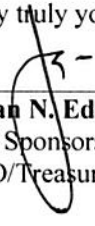
The details are as follows:

Net Balance of IPO proceeds as of June 30, 2023	P1,133,737,882
Less: Disbursement for Reinvestment Plan (Annex A)	(1,088,323,511)
Net Balance of IPO proceeds as of September 30, 2023	P45,414,371

Thank you!

(Signature page follows)

Very truly yours,



Brian N. Edang
The Sponsors
CFO/Treasurer



Melissa Camille Z. Domingo
VistaREIT, Inc.
CFO & Head, Investor Relations

Signature Page to the 2023 3rd Quarter Progress Report on the Application of Proceeds from the Initial Public Offering ("IPO") of VistaREIT, Inc. via Secondary Offering

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANDALUYONG) S.S.

BEFORE ME, a Notary Public for and in the City of MANDALUYONG CITY, Philippines on OCT 16 2023
personally appeared the following with their respective identification, to wit:

Name	Passport ID No.	Date and Place of Issue
The Sponsors <i>Represented by:</i> Brian N. Edang	P9937644A	14 Dec 18 at DFA NCR East
VistaREIT, Inc. <i>Represented by:</i> Melissa Camille Z. Domingo	P7271420B	26 Jul 21 at DFA Manila

known to me and to me known to be the same persons who executed the foregoing agreement and who acknowledged to me that the same is their free will and voluntary act and deed that of the corporation they represent.

WITNESS MY HAND AND NOTARIAL SEAL on the date and place first above written.

Doc. No. 426 ;
Page No. 87 ;
Book No. XIV ;
Series of 2023.

ATTY. ARBIN OMAR P. CARINO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 57146
IBP No. 018537
PTR No. 5112 / 25 / 04 Jan. 2023 / Mandaluyong City
MCLE Compliance No. 01-0029373 issued dated 03 June 2022
Notarist Commission Appointment No. 0388-23
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

Annex A: Disbursements for the period 3rd Quarter 2023

Project	Amount Spent	Disbursing Entity
Vista Estate	₱267,859	Household Development Corporation
Vista Estate	375,101	Household Development Corporation
Vista Estate	11,407,691	Communities Ilocos, Inc.
Vista Estate	4,261,740	Communities Ilocos, Inc.
Vista Estate	1,429,629	Household Development Corporation
Vista Estate	13,839,340	Household Development Corporation
Vista Estate	12,819,337	Household Development Corporation
Vista Estate	4,506,420	Communities Pampanga, Inc.
Vista Estate	1,447,790	Communities Bulacan, Inc.
Vista Estate	9,950,442	Communities Cagayan, Inc.
Hawthorne Heights	141,712,300	Vista Residences, Inc.
Vista Pointe	39,478,105	Vista Residences, Inc.
Vista Recto	9,191,398	Vista Residences, Inc.
Plumeria Heights	132,394,317	Vista Residences, Inc.
Spectrum	141,046,271	Crown Asia Properties, Inc.
Valenza Mansions	19,301,555	Crown Asia Properties, Inc.
Hermosa	38,055,481	Household Development Corporation
The Courtyard	42,524,976	Household Development Corporation
Costa Vista Boracay (Condo)	941,776	Vista Residences, Inc.
Vidarte (Antipolo/Condo)	22,028,419	Household Development Corporation
Suarez Vertical (Condo)	114,599,929	Vista Residences, Inc.
Canyon Hill Condo	36,246,825	Vista Residences, Inc.
Pine Hill Condo	62,623,342	Vista Residences, Inc.
Sky Art (Condo)	63,162,086	Vista Residences, Inc.
Tagaytay Alpine (Condo)	37,546,244	Brittany Corporation
Bradbury (Condo)	127,165,138	Vista Residences, Inc.
TOTAL	₱1,088,323,511	

STRICTLY CONFIDENTIAL

**AGREED-UPON PROCEDURES REPORT ON THE 2023 THIRD QUARTER PROGRESS
REPORT ON THE APPLICATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING
VIA SECONDARY OFFERING**

VistaREIT, INC.

Lower Ground Floor, Building B,
Evia Lifestyle Center, Daang Hari, Almanza Dos

Attention: **Mr. Brian N. Edang**
Chief Financial Officer and Head of Investor Relations
Vista Land & Lifescapes, Inc.

Ms. Melissa Camille Z. Domingo
Chief Financial Officer and Head of Investor Relations
VistaREIT, Inc.

Dear Mr. Edang and Ms. Domingo:

Purpose of this Agreed-Upon Procedures

We have performed the procedures, which were agreed to by **VistaREIT, Inc.** (the “Company”) and enumerated below with respect to 2023 Third Quarter Progress Report on the Application of Proceeds from the Initial Public Offering (“IPO”) of the Company via Secondary Offering (“Subject Matter”) for the three months ended September 30, 2023. Our report is solely for the purpose of assisting the Company in complying with the requirements of the Philippine Stock Exchange (PSE) relating to the application of proceeds from the sale of shares of the Company via secondary offering, and this may not be suitable for another purpose.

Restrictions on Use

This Agreed-Upon Procedures Report (“AUP Report”) is intended solely for the information and use of the Company and the PSE and is not intended to be and should not be used by anyone else.

Responsibilities of the Company

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

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

Practitioner's Responsibilities

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

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

Professional Ethics and Quality Control

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

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

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in the terms of engagement dated October 11, 2023, on the Subject Matter.

We report our findings below:

1. Obtained the 2023 Third Quarter Progress Report on the Application of Proceeds from the Initial Public Offering of the Company via Secondary Offering for the three months ended September 30, 2023 (the "Schedule") and checked the mathematical accuracy of the Schedule. We did not note any difference.
2. We compared the disbursements in the Schedule with the schedule of application of proceeds for the three months ended September 30, 2023. We did not note any difference.
3. Selected at least 75% of the total amount of disbursements based on highest to lowest value of transactions. The samples selected were traced to the supporting documents such as progress billings, bank statements, invoices and official receipts, and agreed the amount to the accounting records. We noted that the total disbursements amounted to ₱1,088,323,511 for the three-month period from July 1, 2023 to September 30, 2023. We did not note any exceptions.

4. Selected at least 75% of the total amount of disbursements based on highest to lowest value of transactions. Compared the nature of these samples as indicated in the 2023 Third Quarter Progress Report to the nature of disbursements provided in the schedule of planned use of proceeds from the Secondary Offering. We did not note any exceptions.

Explanatory Paragraph

The Company is responsible for the source documents that are described in the specified procedures and related findings section. We were not engaged to perform and we have not performed any procedures other than those previously listed. We have not performed procedures to test the accuracy or completeness of the information provided to us except as indicated in our procedures.

Furthermore, we have not performed any procedures with respect to the preparation of any of the source documents.

This AUP report relates only to the 2023 Third Quarter Progress Report for the three months ended September 30, 2023, as specified above and do not extend to the financial statements of the Company, taken as a whole.

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

SYCIP GORRES VELAYO & CO.



Ymael S. Acosta
Partner

CPA Certificate No. 112825

Tax Identification No. 301-106-775

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

SEC Partner Accreditation No. 112825-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. 08-001998-130-2020, November 27, 2020, valid until November 26, 2023

PTR No. 9369766, January 3, 2023, Makati City

October 16, 2023

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANDALUYONG) S.S.

BEFORE ME, a Notary Public for and in the City of MANILA, Philippines on OCT 16 2023,
personally appeared the following with their respective identification, to wit:

Name	PRC ID No.	Place of Issue and Valid Until
Ysmael S. Acosta	0112825	PRC valid until 06 Sep 2025

known to me and to me known to be the same persons who executed the foregoing agreement and who acknowledged to me that the same is their free will and voluntary act and deed that of the corporation they represent.

WITNESS MY HAND AND NOTARIAL SEAL on the date and place first above written.

Doc. No. 1127;
Page No. 87;
Book No. XIV;
Series of 2023.

ATTY. AREIN OMAR P. CARINO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 57146

PTA No. 57-00057 / 04 Jan. 2023 / Mandaluyong City
MCLE Code No. VII-0029373 issued dated 03 June 2022
National Commission Appointment No. 0388-23
Mila Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

COVER SHEET

SEC Registration Number

C	S	2	0	2	0	0	6	7	2	5
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Company Name

[illegible]

Principal Office (No./Street/Barangay/City/Town/Province)

[illegible]

COMPANY INFORMATION

Company's Email Address

ir@vistareit.com.ph

Company's Telephone Number/s

(02) 8994-4377

Company's Facsimile Number/s

-

CONTACT PERSON INFORMATION

Name of Contact Person
Number/s

Melissa Camille Z. Domingo

Email Address

melissa_domingo@vistaland.com.ph

Telephone Number/s Facsimile

0999 887 3219

2

FORM TYPE

1	7	-	C
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Department requiring report

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Secondary License Type, If Applicable

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(To be accomplished by SEC personnel)

File No.

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Document

I.D.

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Remarks:

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STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **July 17, 2023**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **CS202006725**
3. BIR Tax Identification No. **010-510-144-000**
4. **VISTAREIT, INC.**
Exact name of issuer as specified in its charter
5. **Philippines**
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code:
7. **Lower Ground Floor, Building B, Evia Lifestyle Center, Daang Hari, Almanza Dos, Las Piñas City**
Address of principal office **1750**
Postal Code
8. **(02)89944377**
Issuer's telephone number, including area code
9. **N/A**
Former name or former address, 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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common stock	7,500,000,000

11. Indicate the item numbers reported herein:

Item No. 9 - Other Events

Please find attached the 2023 2nd quarter progress report of VISTAREIT, INC. on the application of proceeds from the Initial Public Offering ("IPO") of its 2,750,000,000 common shares via Secondary Offering.

Thank you.

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 hereunto duly authorized.

VISTAREIT, INC.
Issuer

July 17, 2023
Date


MELISSA CAMILLE Z. DOMINGO
CFO & Head, Investor Relations

July 17, 2023

THE PHILIPPINE STOCK EXCHANGE, INC.

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

Attention: **Ms. Alexandra D. Tom Wong**
OIC, Disclosure Department

Subject: **2023 Second Quarter Progress Report on the Application of Proceeds
from the Initial Public Offering (“IPO”) of VistaREIT, Inc.
via Secondary Offering**

Dear Ms. Tom Wong,

In compliance with the disclosure requirements of the Philippine Stock Exchange, we submit herewith our 2023 second quarter progress report on the application of proceeds received from the sale of shares owned by the subsidiaries of Vista Land & Lifescapes, Inc. (*Manuela Corporation, Masterpiece Asia Properties, Inc., Crown Asia Properties, Inc., Vista Residences, Inc., and Communities Pampanga, Inc., collectively as “the Sponsors”*) in VistaREIT, Inc. via secondary offering for the period covering April 01 to June 30, 2023. Further attached is the report of VLLI’s external auditor.

As of June 30, 2023, the remaining balance of the proceeds from the secondary offering amounts to One Billion One Hundred Thirty-Three Million Seven Hundred Thirty-Seven Thousand Eight Hundred Eighty-Two Pesos (**₱1,133,737,882**).

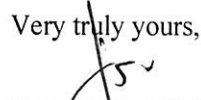
The details are as follows:

Net Balance of IPO proceeds as of March 31, 2023	₱1,984,236,526
Less: Disbursement for Reinvestment Plan (Annex A)	(850,498,644)
Net Balance of IPO proceeds as of June 30, 2023	₱1,133,737,882


Thank you!

(Signature page follows)

Very truly yours,



Brian N. Edang
The Sponsors
CFO/Treasurer



Melissa Camille Z. Domingo
VistaREIT, Inc.
CFO & Head, Investor Relations

Signature Page to the 2023 2nd Quarter Progress Report on the Application of Proceeds from the Initial Public Offering (“IPO”) of VistaREIT, Inc. via Secondary Offering

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANDALUYONG) S.S.

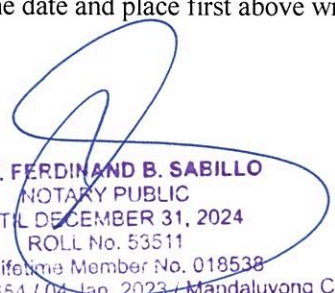
BEFORE ME, a Notary Public for and in the City of MANDALUYONG CITY, Philippines on JUL 17 2023,
personally appeared the following with their respective identification, to wit:

Name	Passport ID No.	Date and Place of Issue
The Sponsors		
<i>Represented by:</i>		
Brian N. Edang	P9937644A	14 Dec 18 at DFA NCR East
VistaREIT, Inc.		
<i>Represented by:</i>		
Melissa Camille Z. Domingo	P7271420B	26 Jul 21 at DFA Manila

known to me and to me known to be the same persons who executed the foregoing agreement and who acknowledged to me that the same is their free will and voluntary act and deed that of the corporation they represent.

WITNESS MY HAND AND NOTARIAL SEAL on the date and place first above written.

Doc. No. 306 ;
Page No. 63 ;
Book No. IX ;
Series of 2023.


ATTY. FERDINAND B. SABILLO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 53511
IBP Lifetime Member No. 018538
PTR No. 5110654 / 04 Jan. 2023 / Mandaluyong City
MCLE Compliance No. VII-0018781 issued dated 25 May 2022
Notarial Commission Appointment No. 0314-23
Vista Corporate Center, Upper Ground Floor
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

Annex A: Disbursements for the period 2nd Quarter 2023

Project	Amount Spent	Disbursing Entity
Vista Estate	₱436,672	Household Development Corporation
Vista Estate	372,379	Household Development Corporation
Vista Estate	18,161,507	Communities Ilocos, Inc.
Vista Estate	433,685	Communities Ilocos, Inc.
Vista Estate	6,473,229	Household Development Corporation
Vista Estate	12,325,826	Household Development Corporation
Vista Estate	13,958,622	Household Development Corporation
Vista Estate	2,605,277	Communities Pampanga, Inc.
Vista Estate	1,211,771	Communities Bulacan, Inc.
Vista Estate	22,197,879	Communities Cagayan, Inc.
Hawthorne Heights	117,543,203	Vista Residences, Inc.
Vista Pointe	67,124,798	Vista Residences, Inc.
Vista Recto	11,243,011	Vista Residences, Inc.
Plumeria Heights	160,486,293	Vista Residences, Inc.
Spectrum	56,973,023	Crown Asia Properties, Inc.
Valenza Mansions	981,545	Crown Asia Properties, Inc.
Hermosa	22,119,469	Household Development Corporation
The Courtyard	40,158,651	Household Development Corporation
Costa Vista Boracay (Condo)	2,159,264	Vista Residences, Inc.
Vidarte (Antipolo/Condo)	1,801,660	Household Development Corporation
Suarez Vertical (Condo)	81,341,703	Vista Residences, Inc.
Canyon Hill Condo	2,687,424	Vista Residences, Inc.
Pine Hill Condo	49,766,786	Vista Residences, Inc.
SkyArt (Condo)	40,278,621	Vista Residences, Inc.
Tagaytay Alpine (Condo)	49,573,718	Brittany Corporation
Bradbury (Condo)	68,082,628	Vista Residences, Inc.
TOTAL	₱850,498,644	

STRICTLY CONFIDENTIAL

**AGREED-UPON PROCEDURES REPORT ON THE 2023 SECOND QUARTER PROGRESS
REPORT ON THE APPLICATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING
VIA SECONDARY OFFERING**

VistaREIT, INC.

Lower Ground Floor, Building B,
Evia Lifestyle Center, Daang Hari, Almanza Dos

Attention: **Mr. Brian N. Edang**
Chief Financial Officer and Head of Investor Relations
Vista Land & Lifescapes, Inc.

Ms. Melissa Camille Z. Domingo
Chief Financial Officer and Head of Investor Relations
VistaREIT, Inc.

Dear Mr. Edang and Ms. Domingo:

Purpose of this Agreed-Upon Procedures

We have performed the procedures, which were agreed to by **VistaREIT, Inc.** (the “Company”) and enumerated below with respect to 2023 Second Quarter Progress Report on the Application of Proceeds from the Initial Public Offering (“IPO”) of the Company via Secondary Offering (“Subject Matter”) for the three months ended June 30, 2023. Our report is solely for the purpose of assisting the Company in complying with the requirements of the Philippine Stock Exchange (PSE) relating to the application of proceeds from the sale of shares of the Company via secondary offering, and this may not be suitable for another purpose.

Restrictions on Use

This Agreed-Upon Procedures Report (“AUP Report”) is intended solely for the information and use of the Company and the PSE and is not intended to be and should not be used by anyone else.

Responsibilities of the Company

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

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

Practitioner's Responsibilities

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

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

Professional Ethics and Quality Control

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

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

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in terms of engagement dated May 17, 2023, on the Subject Matter.

We report our findings below:

1. Obtained the 2023 Second Quarter Progress Report on the Application of Proceeds from the Initial Public Offering of the Company via Secondary Offering for the three months ended June 30, 2023 (the "Schedule") and checked the mathematical accuracy of the Schedule. We did not note any difference.
2. We compared the disbursements in the Schedule with the schedule of application of proceeds for the three months ended June 30, 2023. We did not note any difference.
3. Selected at least 75% of the total amount of disbursements based on highest to lowest value of transactions. The samples selected were traced to the supporting documents such as progress billings, bank statements, invoices and official receipts, and agreed the amount to the accounting records. We noted that the total disbursements amounted to ₱850,498,644 for the three-month period from April 1, 2023 to June 30, 2023. We did not note any exceptions.

4. Selected at least 75% of the total amount of disbursements based on highest to lowest value of transactions. Compared the nature of these samples as indicated in the 2023 Second Quarter Progress Report to the nature of disbursements provided in the schedule of planned use of proceeds from the Secondary Offering. We did not note any exceptions.

Explanatory Paragraph

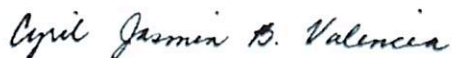
The Company is responsible for the source documents that are described in the specified procedures and related findings section. We were not engaged to perform and we have not performed any procedures other than those previously listed. We have not performed procedures to test the accuracy or completeness of the information provided to us except as indicated in our procedures.

Furthermore, we have not performed any procedures with respect to the preparation of any of the source documents.

This AUP report relates only to the 2023 Second Quarter Progress Report for the three months ended June 30, 2023, as specified above and do not extend to the financial statements of the Company, taken as a whole.

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

SYCIP GORRES VELAYO & CO.



Cyril Jasmin B. Valencia

Partner

CPA Certificate No. 90787

Tax Identification No. 162-410-623

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

SEC Partner Accreditation No. 90787-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. 08-001998-074-2020, December 3, 2020, valid until December 2, 2023

PTR No. 9566009, January 3, 2023, Makati City

July 17, 2023

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANDALUYONG) S.S.

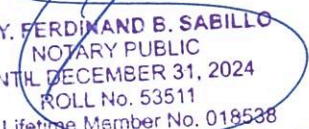
BEFORE ME, a Notary Public for and in the City of MANDALUYONG CITY, Philippines on JUL 17 2023,
personally appeared the following with their respective identification, to wit:

Name	PRC ID No.	Place of Issue and Valid Until
Cyril Jasmin B. Valencia	0090787	PRC valid until 21 Jan 2026

known to me and to me known to be the same persons who executed the foregoing agreement and who acknowledged to me that the same is their free will and voluntary act and deed that of the corporation they represent.

WITNESS MY HAND AND NOTARIAL SEAL on the date and place first above written.

Doc. No. 207 ;
Page No. 03 ;
Book No. IX ;
Series of 2023.


ATTY. FERDINAND B. SABILLO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 53511
IBP Lifetime Member No. 018538
PTR No. 5110654 / 04 Jan. 2023 / Mandaluyong City
MCLE Compliance No. VII-0018781 issued dated 25 May 2022
Notarial Commission Appointment No. 0314-23
Vista Corporate Center, Upper Ground Floor
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

COVER SHEET

SEC Registration Number

C	S	2	0	2	0	0	6	7	2	5
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Company Name

[illegible]

Principal Office (No./Street/Barangay/City/Town/Province)

[illegible]

COMPANY INFORMATION

Company's Email Address

ir@vistareit.com.ph

Company's Telephone Number/s

(02) 8994-4377

Company's Facsimile Number/s

—

CONTACT PERSON INFORMATION

Name of Contact Person
Number/s

Melissa Camille Z. Domingo

Email Address

Telephone Number/s

Facsimile

melissa_domingo@vistaland.com.ph

0999 887 3219

10

FORM TYPE

1	7	-	C
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Department requiring report

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Secondary License Type, If Applicable

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(To be accomplished by SEC personnel)

File No.

LCU

Document

Source: *Author's calculations* based on data from the 2000 Census of the United States, Table S001, and the 2000 Census of the United States, Table S002.

I.D.

CASHIER

Remarks:

Please use BLACK ink for scanning purposes

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **May 04, 2023**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **CS202006725**
3. BIR Tax Identification No. **010-510-144-000**
4. **VISTAREIT, INC.**
Exact name of issuer as specified in its charter
5. **Philippines**
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code:
7. **Lower Ground Floor, Building B, Evia Lifestyle Center, Daang Hari,**
Almanza Dos, Las Piñas City
Address of principal office
8. **(02)89944377**
Issuer's telephone number, including area code
9. **N/A**
Former name or former address, 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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common stock	7,500,000,000
11. Indicate the item numbers reported herein:

Item No. 9 - Other Events

Please find attached the 4th quarterly progress report of VISTAREIT, INC. on the application of proceeds from the Initial Public Offering ("IPO") of its 2,750,000,000 common shares via Secondary Offering.

Thank you.

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 hereunto duly authorized.

VISTAREIT, INC.
Issuer

May 04, 2023
Date



MELISSA CAMILLE Z. DOMINGO
CFO & Head, Investor Relations

May 04, 2023

THE PHILIPPINE STOCK EXCHANGE, INC.

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

Attention: **Ms. Alexandra D. Tom Wong**
OIC, Disclosure Department

Subject: **Fourth Quarterly Progress Report on the Application of Proceeds
from the Initial Public Offering ("IPO") of VistaREIT, Inc.
via Secondary Offering**

Dear Ms. Tom Wong,

In compliance with the disclosure requirements of the Philippine Stock Exchange, we submit herewith our fourth quarterly progress report on the application of proceeds received from the sale of shares owned by the subsidiaries of Vista Land & Lifescapes, Inc. (*Manuela Corporation, Masterpiece Asia Properties, Inc., Crown Asia Properties, Inc., Vista Residences, Inc., and Communities Pampanga, Inc., collectively as "the Sponsors"*) in VistaREIT, Inc. via secondary offering for the period covering January 01 to March 31, 2023. Further attached is the report of VLLI's external auditor.

As of March 31, 2023, the remaining balance of the proceeds from the secondary offering amounts to One Billion Nine Hundred Eighty-Four Million Two Hundred Thirty-Six Thousand Five Hundred Twenty-Six Pesos (**₱1,984,236,526**).

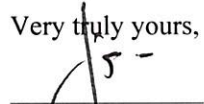
The details are as follows:

Net Balance of IPO proceeds as of December 31, 2022	₱2,876,354,329
Less: Disbursement for Reinvestment Plan (Annex A)	(892,117,803)
Net Balance of IPO proceeds as of March 31, 2023	₱1,984,236,526

Thank you!

(Signature page follows)

Very truly yours,



Brian N. Edang
The Sponsors
CFO/Treasurer



Melissa Camille Z. Domingo
VistaREIT, Inc.
CFO & Head, Investor Relations

Signature Page to the 4th Quarterly Progress Report on the Application of Proceeds from the Initial Public Offering ("IPO") of VistaREIT, Inc. via Secondary Offering

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANDALUYONG) S.S.

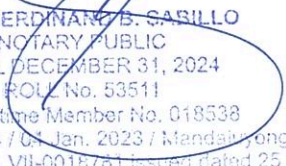
BEFORE ME, a Notary Public for and in the City of MANDALUYONG CITY, Philippines on MAY 04 2023,
personally appeared the following with their respective identification, to wit:

Name	Passport ID No.	Date and Place of Issue
The Sponsors <i>Represented by:</i> Brian N. Edang	P9937644A	14 Dec 18 at DFA NCR East
VistaREIT, Inc. <i>Represented by:</i> Melissa Camille Z. Domingo	P7271420B	26 Jul 21 at DFA Manila

known to me and to me known to be the same persons who executed the foregoing agreement and who acknowledged to me that the same is their free will and voluntary act and deed that of the corporation they represent.

WITNESS MY HAND AND NOTARIAL SEAL on the date and place first above written.

Doc. No. 127;
Page No. 27;
Book No. V;
Series of 2023.


ATTY. FERDINAND B. SABILLO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 53511
IEP Lifetime Member No. 018538
PTR No. 5110654 / Oct. Jan. 2023 / Mandaluyong City
MCLE Compliance No. VII-0016761 issued dated 25 May 2022
Notarial Commission Appointment No. 0314-23
Vista Corporate Center, Upper Ground Floor
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

Annex A: Disbursements for the period 1st Quarter 2023

Project	Amount Spent	Disbursing Entiy
Vista Estate	₱322,679	Household Development Corporation
Vista Estate	88,214	Household Development Corporation
Vista Estate	235,714	Communities Ilocos, Inc.
Vista Estate	8,593,819	Household Development Corporation
Vista Estate	10,916,828	Household Development Corporation
Vista Estate	1,486,968	Communities Pampanga, Inc.
Vista Estate	2,198,715	Communities Bulacan, Inc.
Vista Estate	12,113,195	Communities Cagayan, Inc.
Hawthorne Heights	229,076,557	Vista Residences, Inc.
Vista Pointe	22,422,827	Vista Residences, Inc.
Vista Pointe	58,220,633	Vista Residences, Inc.
Vista Recto	20,483,727	Vista Residences, Inc.
Plumeria Heights	161,570,852	Vista Residences, Inc.
Spectrum	35,360,956	Crown Asia Properties, Inc.
Hermosa	40,108,785	Household Development Corporation
The Courtyard	43,265,541	Household Development Corporation
Costa Vista Boracay (Condo)	1,966,227	Vista Residences, Inc.
Vidarte (Antipolo/Condo)	6,664,626	Household Development Corporation
Suarez Vertical (Condo)	108,357,571	Vista Residences, Inc.
Canyon Hill Condo	1,870,491	Vista Residences, Inc.
Pine Hill Condo	9,436,723	Vista Residences, Inc.
SkyArt (Condo)	18,004,204	Vista Residences, Inc.
Tagaytay Alpine (Condo)	35,399,673	Brittany Corporation
Bradbury (Condo)	63,952,278	Vista Residences, Inc.
TOTAL	₱892,117,803	

STRICTLY CONFIDENTIAL

**AGREED-UPON PROCEDURES REPORT ON THE FOURTH QUARTERLY PROGRESS
REPORT ON THE APPLICATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING
VIA SECONDARY OFFERING**

VistaREIT, INC.

Lower Ground Floor, Building B,
Evia Lifestyle Center, Daang Hari, Almanza Dos

Attention: **Mr. Brian N. Edang**
Chief Financial Officer and Head of Investor Relations
Vista Land & Lifescapes, Inc.

Ms. Melissa Camille Z. Domingo
Chief Financial Officer and Head of Investor Relations
VistaREIT, Inc.

Dear Mr. Edang and Ms. Domingo:

Purpose of this Agreed-Upon Procedures

We have performed the procedures, which were agreed to by **VistaREIT, Inc.** (the “Company”) and enumerated below with respect to Fourth Quarterly Progress Report on the Application of Proceeds from the Initial Public Offering (“IPO”) of the Company via Secondary Offering (“Subject Matter”) for the three months ended March 31, 2023. Our report is solely for the purpose of assisting the Company in complying with the requirements of the Philippine Stock Exchange (PSE) relating to the application of proceeds from the sale of shares of the Company via secondary offering, and this may not be suitable for another purpose.

Restrictions on Use

This Agreed-Upon Procedures Report (“AUP Report”) is intended solely for the information and use of the Company and the PSE and is not intended to be and should not be used by anyone else.

Responsibilities of the Company

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

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

Practitioner's Responsibilities

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

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

Professional Ethics and Quality Control

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

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

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in terms of engagement dated February 6, 2023, on the Subject Matter.

We report our findings below:

1. Obtained the Fourth Quarterly Progress Report on the Application of Proceeds from the Initial Public Offering of the Company via Secondary Offering for the three months ended March 31, 2023 (the "Schedule") and checked the mathematical accuracy of the Schedule. We did not note any difference.
2. We compared the disbursements in the Schedule with the schedule of application of proceeds for the three months ended March 31, 2023. We did not note any difference.
3. Selected at least 85% of the total amount of disbursements based on highest to lowest value of transactions. The samples selected were traced to the supporting documents such as progress billings, bank statements, invoices and official receipts, and agreed the amount to the accounting records. We noted that the total disbursements amounted to P892,117,803 for the three-month period from January 1, 2023 to March 31, 2023. We did not note any exceptions.

4. Selected at least 85% of the total amount of disbursements based on highest to lowest value of transactions. Compared the nature of these samples as indicated in the Fourth Quarterly Progress Report to the nature of disbursements provided in the schedule of planned use of proceeds from the Secondary Offering. We did not note any exceptions.

Explanatory Paragraph

The Company is responsible for the source documents that are described in the specified procedures and related findings section. We were not engaged to perform and we have not performed any procedures other than those previously listed. We have not performed procedures to test the accuracy or completeness of the information provided to us except as indicated in our procedures.

Furthermore, we have not performed any procedures with respect to the preparation of any of the source documents.

This AUP report relates only to the Fourth Quarterly Progress Report for the three months ended March 31, 2023, as specified above and do not extend to the financial statements of the Company, taken as a whole.

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

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia

Partner

CPA Certificate No. 90787

Tax Identification No. 162-410-623

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

SEC Partner Accreditation No. 90787-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. 08-001998-074-2020, December 3, 2020, valid until December 2, 2023

PTR No. 9566009, January 3, 2023, Makati City

May 4, 2023

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANDALUYONG) S.S.

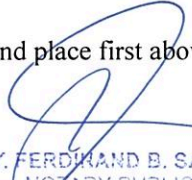
BEFORE ME, a Notary Public for and in the City of MANDALUYONG CITY, Philippines on MAY 04 2023,
personally appeared the following with their respective identification, to wit:

Name	PRC ID No.	Place of Issue and Valid Until
Cyril Jasmin B. Valencia	0090787	PRC valid until 21 Jan 2026

known to me and to me known to be the same persons who executed the foregoing agreement and who
acknowledged to me that the same is their free will and voluntary act and deed that of the corporation
they represent.

WITNESS MY HAND AND NOTARIAL SEAL on the date and place first above written.

Doc. No. 129 ;
Page No. 27 ;
Book No. V ;
Series of 2023.


ATTY. FERDINAND B. SABILLO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 63511
IBP Lifetime Membership: 618538
PTR No. 5110554 / 04 Jan. 2023 / Mandaluyong City
MCLE Compliance No. VII-C018701 issued dated 25 May 2022
Notarial Commission Appointment No. 0314-23
Vista Corporate Center, Upper Ground Floor
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City