COVER SHEET

SEC Registration Number

C	S	2	0	2	0	0	6	7	2	5

Company Name

VISTAREIT, INC.

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

LOWER GROUND FLOOR, BUILDING B, EVIA LIFESTYLE CENTER, DAANGHARI, ALMANZA DOS, LAS PIÑAS CITY

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Company's Facsimile Number/s
ir@vistareit.com.ph	(02) 8994-4377	-

CONTACT PERSON INFORMATION

Name of Contact Person	Email Address	Telephone Number/s	Facsimile Number/s
Melissa Camille Z. Domingo	melissa_domingo@vistaland.com.ph	0999 887 3219	-

FORM TYPE	Department requiring report	Secondary License Type, If Applicable
20-IS Preliminary Information Statement		

(To be accomplished by SEC personnel)

File No. ________________ ________________ LCU

Document I.D. ________________ ________________ CASHIER

Remarks:
Please use BLACK ink for scanning purposes

STAMPS

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Notice is hereby given that the annual meeting of stockholders of **VISTAREIT, INC.** (the "Company" or "VREIT") for the year 2024 will be held online on **July 05, 2024**, **Friday** at **10:00 a.m.** with the proceedings livestreamed and voting conducted in absentia through the Company's secure voting online facility which may be accessed through the following URL address: https://vistareit.com.ph/asm.

The Chairman will conduct the online meeting from Las Piñas City, Metro Manila, which is the city where the principal office of the Company is located.

The following shall be the agenda of the meeting:

1. Call to order
2. Certification of service of notice and presence of quorum
3. Approval of the minutes of the last Annual Meeting of Stockholders held on July 05, 2023
4. Presentation of the President's Report and Audited Financial Statements for the year 2023
5. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders' meeting until the date of this meeting
6. Election of the members of the Board of Directors, including the Independent Directors, for the year 2024
7. Appointment of External Auditors
8. Adjournment

Minutes of the 2023 Annual Meeting of Stockholders is available at the website of the Company (https://vistareit.com.ph/assets/disclosures/minutes/VREIT%20AGM%202023%20minutes%20FINAL.pdf).

The Board of Directors has fixed 05 June 2024 as the record date for the determination of stockholders entitled to notice of, and to vote at, said Annual Stockholders' Meeting.

In light of the current circumstances, and to ensure the safety and welfare of the Company's stockholders, the Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication and voting only *in absentia* or by appointing the Chairman of the meeting as their proxy.

Stockholders who intend to participate in the meeting via remote communication and to exercise their vote *in absentia* must notify the Corporate Secretary by registering at https://vistareit.com.ph/asm on or before June 27, 2024. All information submitted will be subject to verification and validation by the Corporate Secretary.

Stockholders who intend to appoint the Chairman of the Meeting as their proxy should submit duly accomplished proxy forms on or before June 27, 2024 at the Office of the Corporate Secretary at Liberty Center – Picazo Law, 104 H.V. dela Costa St., Salcedo Village, 1227 Makati City and/or by email to gmsantos@picazolaw.com.

The procedures for participating in the meeting through remote communication and for casting of votes *in absentia* are set forth in the Information Statement.

Electronic copies of the Definitive Information Statement, the 2023 Annual Report (SEC Form 17A) and the Interim Unaudited Financial Statements of the Company as of and for the quarter ended March 31, 2024 (SEC Form 17Q), are available at its website at https://www.vistareit.com.ph and uploaded at the PSE's EDGE disclosure system.

A visual/audio recording of the meeting shall be made for future reference.

GEMMA M. SANTOS
Corporate Secretary

AGENDA DETAILS AND RATIONALE

1. **Certification of Notice and Quorum**

The Corporate Secretary, Atty. Gemma M. Santos, will certify that copies of the Notice of Meeting were duly published in the business section of two (2) newspapers of general circulation, and will certify the number of shares represented in the meeting, for the purpose of determining the existence of quorum to validly transact business.

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, the Corporation has set up a designated web address which may be accessed by the stockholders to participate and vote in absentia on the agenda items presented for resolution at the meeting. A stockholder who votes in absentia as well as a stockholder participating by remote communication shall be deemed present for purposes of quorum.

The following are the rules and procedures for the conduct of the meeting:

(i) Stockholders may attend the meeting remotely through https://vistareit.com.ph/asm (the "Website"). Stockholders may send their questions or comments prior to the meeting by e-mail at ir@vistareit.com.ph. The Website shall include a mechanism by which questions may be posted live during the meeting. The Company will endeavor to answer all questions submitted prior to and in the course of the meeting, or separately through the Company's Investor Relations Office within a reasonable period after the meeting.

(ii) Each of the Agenda items which will be presented for resolution will be shown on the screen during the live streaming as the same is taken up at the meeting.

(iii) Stockholders must notify the Company of their intention to participate in the meeting by remote communication to be included in determining quorum, together with the stockholders who voted in absentia and by proxy.

(iv) Voting shall only be allowed for stockholders registered in the Company's Electronic Voting in Absentia System provided in the Company's website or through the Chairman of the meeting as proxy.

(v) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the total issued and outstanding voting stock represented at the meeting.

(vi) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.

(vii) The Company's stock transfer agent and Corporate Secretary will tabulate and validate all votes received.

2. **Approval of the Minutes of the last Annual Meeting of Stockholders held on July 05, 2023**

The minutes of the last Annual Meeting of Stockholders held on July 05, 2023 will be presented for approval by the stockholders, in keeping with Section 49(a) of the Revised Corporation Code.

A copy of such minutes has been uploaded on the Company's website.

3. **<u>President's Report and Audited Financial Statements as of and for the year ended December 31, 2023</u>**

The audited financial statements of the Company as of and for the year ended December 31, 2023 (as audited by SyCip, Gorres, Velayo & Co.) (the "AFS"), copies of which were incorporated in the Preliminary Information Statement for this meeting, will be presented for approval by the stockholders.

The President of the Company, Mr. Manuel Paolo A. Villar, will deliver a report to the stockholders on the Company's performance for the year 2023 (which will include highlights from the AFS) and the outlook for 2024.

The Board and Management of the Company believe it in keeping with the Company's thrust to at all times observe best corporate governance practices that the results of operations and financial condition of the Company be presented and explained to the shareholders. Any comment from the shareholders, and their approval or disapproval of these reports, will provide guidance to the Board and Management in their running of the business and affairs of the Company.

4. **<u>Ratification of all acts and resolution of the Board of Directors and Management from the date of the last annual stockholders' meeting until the date of this meeting</u>**

Ratification by the stockholders will be sought for all the acts and resolutions of the Board of Directors and all the acts of Management taken or adopted from the date of the last annual stockholders' meeting until the date of this meeting. A brief summary of these resolutions and actions is set forth in the Preliminary Information Statement for this meeting. Copies of the minutes of the meetings of the Board of Directors are available for inspection by any shareholder at the offices of the Company during business hours.

The Board and Management of the Company believe it is in keeping with the Company's thrust to at all times observe best corporate governance practices that ratification of their acts and resolutions be requested from the shareholders in this annual meeting. Such ratification will be a confirmation that the shareholders approve the manner that the Board and Management run the business and affairs of the Company.

5. **<u>Election of the members of the Board of Directors, including the Independent Directors, for the year 2024</u>**

The Corporate Secretary will present the names of the persons who have been duly nominated for election as directors of the Company in accordance with the Amended By-Laws and Manual on Corporate Governance of the Company and applicable laws and regulations. The voting procedure is set forth in the Preliminary Information Statement for this meeting.

6. **<u>Appointment of External Auditors</u>**

The Audit Committee is endorsing to the stockholders the re-appointment of SyCip Gorres Velayo & Co. as external auditor of the Company for the fiscal year 2024.

PROXY

[NOTE: Stockholders who would like to be represented by the Chairman of the Meeting as proxy may choose to execute and send a proxy form to the Office of the Corporate Secretary (Atty. Gemma M. Santos) at Liberty Center – Picazo Law, 104 H.V. dela Costa St., Salcedo Village, 1227 Makati City, on or before June 27, 2024. A sample proxy form is provided below. Stockholders may likewise email a copy of the accomplished proxy form to gmsantos@picazolaw.com .]

The undersigned stockholder of VISTAREIT, INC. (the "Company") hereby appoints the Chairman of the meeting as attorney-in-fact or proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Stockholders' Meeting of the Company on 05 July 2024 at 10:00 a.m. and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of the minutes of the last Annual Meeting of Stockholders held on July 05, 2023

   ☐ Yes ☐ No ☐ Abstain

2. Noting of the President's Report and Approval of the Audited Financial Statements 2023

   ☐ Yes ☐ No ☐ Abstain

3. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders' meeting until the date of this meeting

   ☐ Yes ☐ No ☐ Abstain

4. Election of the members of the Board of Directors, including the Independent Directors for the year 2024

Name	**No. of votes**
Manuel Paolo A. Villar	__________
Jerylle Luz C. Quismundo	__________
Brian N. Edang	__________
Melissa Camille Z. Domingo	__________
Justina F. Callangan	__________
Leticia A. Moreno	__________
Raul Juan N. Esteban	__________

5. Re-appointment of SGV & Company as external auditor

   ☐ Yes ☐ No ☐ Abstain

____
Printed name of Stockholder

____
Signature of Stockholder / Authorized representative

____
Date

This proxy should be received by the Corporate Secretary on or before June 27, 2024, the deadline for submission of proxies.

This proxy when properly executed will be voted in the manner as directed herein by the stockholder(s), If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised.

Notarization of this proxy is not required.

We are not asking you for a proxy. You are not being requested to send us a proxy.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [x] Preliminary Information Statement
   [ ] Definitive Information Statement

2. Name of Registrant as specified in its charter: **VISTAREIT, INC.**

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

4. SEC Identification Number **CS202006725**

5. BIR Tax Identification Code **010-510-144-000**

6. **Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City** — **1750**
   Address of principal office — Postal Code

7. Registrant's telephone number, including area code **(02)89944377**

8. Date, time and place of the meeting of security holders
   05 July 2024, 10:00 a.m. (via Remote Communication)

9. Approximate date on which the Information Statement is first to be sent or given to security holders
   June 13, 2024

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding (as of April 30, 2024)
Common stock	**7,500,000,000 shares**

11. Are any or all of registrant's securities listed in a Stock Exchange?

    Yes [**x**]   No [ ]

    Name of Stock Exchange: **Philippine Stock Exchange**
    Class of securities listed: **Common Stocks**

PART I

INFORMATION STATEMENT

GENERAL INFORMATION

Date, time and place of meeting of security holders.

Date: July 05, 2024
Time: 10:00 a.m.
Place: The Chairman will conduct the online meeting from Las Piñas City, Metro Manila, which is the city where the principal office of the Company is located.

The corporate mailing address of the principal office of the Company is Lower Ground Floor, Building B, Evia Lifestyle Center, Daanghari, Almanza Dos, Las Piñas City, Philippines.

This Information Statement may be accessed by the Company's stockholders beginning June 13, 2024 at the Company's website, https://vistareit.com.ph/disclosures.

Dissenters' Right of Appraisal

Under Sections 41 and 80, Title X, of the Revised Corporation Code of the Philippines ("**Corporation Code**"), any stockholder of the Company shall have the right to dissent and demand payment of the fair value of his shares only in the following instances, as provided by the Corporation Code:

(1) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
(2) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets;
(3) In case of merger or consolidation; and
(4) In case of investments in another corporation, business or purpose.

Under Section 81 of the Corporation Code, the appraisal right, when available, may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken, for payment of the fair value of his shares; Provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder upon surrender of his certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and Provided, Further, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

The procedure to be followed in exercising the appraisal right shall be in accordance with Sections 80 to 85 of the Corporation Code.

None of the matters that are proposed to be taken up during the meeting gives a dissenter a right of appraisal.

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

None of the officers or directors, or any nominee for election as director, or any of their associates has any substantial interest, direct or indirect, in any of the matters to be acted upon in the stockholders' meeting.

No director has informed the Company in writing that he intends to oppose any action to be taken at the meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

(a) Number of shares outstanding as of 30 April 2024

Common: 7,500,000,000

(b) Record Date: 05 June 2024

Each common share of stock of the Company is entitled to one (1) vote. Pursuant to Article VI, Section 4 of the Company's Amended By-Laws, every holder of voting stock may vote during all meetings, including the Annual Stockholders' Meeting, either in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact.

Stockholders entitled to vote are also entitled to cumulative voting in the election of directors. Section 23 of the Corporation Code provides, in part, that: "….in stock corporations, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing, at the time fixed in the by-laws, in his own name on the stock books of the corporation, or where the by-laws are silent, at the time of the election; and said stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit…."

For this year's meeting, the Board of Directors had adopted a resolution to allow stockholders entitled to notice of, and to attend the meeting, to exercise their right to vote in absentia.

Equity Ownership of Foreign and Local Shareholders

Foreign and local security ownership as of April 30, 2024:

Class	Filipino		Foreign		Total Shares Outstanding
	Shares	Percent of Class	Shares	Percent of Class	
Common	7,480,848,250	99.74%	19,151,750	0.26%	7,500,000,000
Total	**7,480,848,250**		**19,151,750**		**7,500,000,000**

Security Ownership of Certain Beneficial Owners and Management

Security ownership of certain record and beneficial owners of more than 5.0% of the Company's voting securities as of April 30, 2024:

Title of Class of Securities	Name/Address of Record Owners and Relationship with Us	Name of Beneficial Owner /Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership[1]
Common	Masterpiece Asia Properties, Inc. ("MAPI")[2] 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	Vista Residences Inc. ("VRI")[3] 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%
Common	Manuela Corporation[4] 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%

[1] Based on the total issued and outstanding common shares of 7,500,000,000 as of April 30, 2024.
[2] MAPI, through a resolution passed by the Board of Directors, usually designates its President, Manuel Paolo A. Villar, to be its authorized representative with the power to vote its shares of stock in the Company.
[3] VRI, through a resolution passed by the Board of Directors, usually designates its President, Jerylle Luz C. Quismundo, to be its authorized representative with the power to vote its shares of stock in the Company.
[4] Manuela Corporation, through a resolution passed by the Board of Directors, usually designates its President, Benjamarie Therese N. Serrano, to be its authorized representative with the power to vote its shares of stock in the Company.

Security ownership of management as of April 30, 2024:

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	Percent of Class
Common Shares	Manuel Paolo A. Villar	4,500,000 - Indirect[5]	Filipino	.06%
Common Shares	Jerylle Luz C. Quismundo	500,000 – Indirect[5]	Filipino	.0067%
Common Shares	Brian N. Edang	250,000 – Indirect[5]	Filipino	.0033%
Common Shares	Melissa Camille Z. Domingo	62,500 – Direct	Filipino	.0008%
Common Shares	Justina F. Callangan	62,500 – Direct	Filipino	.0008%
Common Shares	Leticia A. Moreno	62,500 – Direct	Filipino	.0008%
Common Shares	Raul Juan N. Esteban	62,500 – Direct	Filipino	.0008%
-	Gemma M. Santos	-	Filipino	-
-	Ma. Nalen SJ. Rosero	-	Filipino	-
-	Marilyn S. Oblena	-	Filipino	-
-	Mayumi Mitzi L. Arao	-	Filipino	-
AGGREGATE SHAREHOLDINGS		**5,500,000**		**0.0733%**

Except as indicated in the table, none of the above-listed officers and management indirectly own shares of the Company. Except as aforementioned, no other officers of the Company hold, directly or indirectly, shares in the Company.

[5] held through PCD Nominee Corporation

Voting Trust Holders of 5.0% or More

As of April 30, 2024, there were no persons holding more than 5.0% of a class of shares under a voting trust or similar agreement.

Changes in Control

The Company is not aware of any voting trust agreements or any other similar agreements which may result in a change in control of the Company. No change in control of the Company has occurred since the beginning of its last fiscal year.

Directors and Executive Officers of the Registrant

Term of Office

Each director holds office until the annual meeting of stockholders held next after his election and his successor shall have been elected and qualified, except in case of death, resignation, disqualification or removal from office. The term of office of the officers is coterminous with that of directors that elected or appointed them.

Background Information

The following are the names, ages and citizenship of the incumbent directors/independent directors and officers of the Company:

NAME	AGE	POSITION	CITIZENSHIP	PERIOD SERVED
Jerylle Luz C. Quismundo	60	Chairman of the Board	Filipino	2022 to present
Manuel Paolo A. Villar	47	Director	Filipino	2020 to present
Brian N. Edang	45	Director	Filipino	2020 to present
Melissa Camille Z. Domingo	37	Director	Filipino	2022 to present
Justina F. Callangan	71	Independent Director	Filipino	2022 to present
Leticia A. Moreno	63	Independent Director	Filipino	2022 to present
Raul Juan N. Esteban	62	Independent Director	Filipino	2022 to present

The following are the names, ages and citizenship of the Company's executive officers in addition to its executive and independent directors listed above:

NAME	AGE	POSITION	CITIZENSHIP
Manuel Paolo A. Villar	47	President and Chief Executive Officer	Filipino
Melissa Camille Z. Domingo	37	Chief Financial Officer, Treasurer & Head, Investor Relations	Filipino
Ma. Nalen S.J. Rosero	53	Assistant Corporate Secretary, Chief Legal Counsel, Compliance Officer, and Chief Information Officer	Filipino
Marilyn S. Oblena	42	Chief Audit Executive	Filipino
Mayumi Mitzi L. Arao	45	Data Protection Officer	Filipino
Gemma M. Santos	62	Corporate Secretary	Filipino

The following states the business experience of the incumbent directors and officers of the Company for the last five (5) years:

Jerylle Luz C. Quismundo, *Chairman of the Board.* Ms. Quismundo, Filipino, 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 since1989 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, Filipino, 47, graduated from the Wharton School of the University of Pennsylvania, Philadelphia, USA with a degree in 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 the Vista Land Group in 2001 as Head of Corporate Planning then became its Chief Financial Officer in 2008. He is the President, Chief Executive Officer, Director, and Vice Chairman of Vista Land & Lifescapes, Inc. since July 2011 and President of Vistamalls, Inc. since June 2019. In addition, he is the CEO and Chairman of St. Augustine Gold and Copper Limited, Chairman of TVI Resources Development Philippines, Inc., Powersource Phils Development Corp., Vista Land subsidiaries Camella Homes, Inc., Communities Philippines, Inc., Crown Asia Properties, Inc., Brittany Corporation and Vista Residences, Inc., and director of AllHome Corporation and AllDay Marts, Inc. Mr. Villar also is the majority shareholder of Prime Asset Ventures, Inc., and a director of Fine Properties, Inc. Vista Land and Lifescapes, Inc., Vistamalls, Inc., AllHome Corporation and AllDay Marts, Inc. are publicly-listed companies.

Brian N. Edang, *Director.* Mr. Edang, Filipino, 45, is a Certified Public Accountant. He graduated cum laude with a degree in 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, Crown Asia Properties, Inc., Communities Philippines, Inc., and Camella Homes, Inc. He is also a Director of Medilines Distributors Incorporated. 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 & 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). Vista Land and Lifescapes, Inc. and Medilines Distributors Incorporated are publicly-listed companies.

Melissa Camille Z. Domingo, *Chief Financial Officer, Treasurer, and Head, Investor Relations.* Ms. Domingo, Filipino, 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, Filipino, 71, graduated cum laude with a Bachelor of Arts in Political Science degree from the University of the East in 1973.

She received her Bachelor of Laws degree from San Sebastian College 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.She is currently a Consultant in Divina Law Office and ASA Philippines Foundation, Inc. Atty. Callangan also serves as Independent Director of ORIX Metro Leasing and Finance Corporation, Vista Land & Lifescapes, Inc., Panasonic Manufacturing Philippines Corp. and AIB Money Market Fund, a SEC-registered mutual fund. Atty. Callangan is a Mandatory Continuing Legal Education (MCLE) Lecturer on various SEC matters in both UP Law Center Institute for the Administration of Justice and Center for Global Best Practices. Vista Land and Lifescapes, Inc. is a publicly-listed company.

Leticia A. Moreno, *Independent Director*. Ms. Moreno, Filipino, 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 (a publicly-listed company). 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, Filipino, 62, graduated from the Ateneo de Manila University with a Bachelor of Science in Management Engineering degree. He became a brand manager of Unilever Philippines 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 thereof 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 is currently an independent director of Vistamalls, Inc., 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. Vistamalls, Inc. and AllDay Marts, Inc. are publicly-listed companies.

Gemma M. Santos, *Corporate Secretary*. Atty. Santos, Filipino, 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., Fine Properties, Inc., Philippine Associated Smelting and Refining Corporation (PASAR), Bulakan Water Co., Inc., and Chairman of the Board of the Bulacan Water District.

Ma. Nalen S.J. Rosero, *Assistant Corporate Secretary, Chief Legal Counsel, Compliance Officer and Chief Information Officer.* Atty. Rosero, Filipino, 53, graduated salutatorian from the San Beda College of Law in 1997. She is currently the Compliance Officer, Chief Information Officer, Chief Legal Counsel and Assistant Corporate Secretary of Vista Land & Lifescapes, Inc. and the Corporate Secretary and a Director of the following companies: Household Development Corporation, Brittany Corporation, Crown Asia Properties, 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., the Corporate Secretary of Vistamalls, Inc. and Assistant Corporate Secretary of Golden MV Holdings, Inc. From 1997 to 2000, she was an Associate in the Litigation Group of Angara Abello Concepcion Regala & Cruz (ACCRA) Law Offices.

Marilyn S. Oblena, *Chief Audit Executive.* Ms. Oblena, Filipino, 42, graduated with a Bachelor of Science in Accountancy degree 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, Filipino, 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.

All of the incumbent Directors named above have a one-year term of office and all have been nominated for re-election to the Board of Directors.

The Amended By-Laws of the Company conforms with SRC Rule 38, as amended, with regard to the nomination of independent directors of the Company. Article I, Section 5 of the Company's By-Laws provide as follows:

> Section 5. Independent Directors
>
> **a.** The Corporation shall have such number of independent directors as may be required by law or regulation. For this purpose, an independent director shall mean a person who, apart from his fees and shareholdings, is independent of the management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as an independent director of the corporation.
>
> The independent directors shall have all the qualifications and none of the disqualifications set forth in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and Section 5.b and 5.c of the Company's By-Laws, as the same may be amended from time to time. *(As amended on 16 March 2022)*

d. Election of Independent Directors

i. Except as those required under the SRC and subject to pertinent existing laws, rules and regulations of the SEC, the conduct of the election of independent directors shall be made in accordance with the standard election procedures for regular directors as provided by the By-Laws. It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent director/s;

ii. Specific slot/s for independent directors shall not be filled-up by unqualified nominees;

iii. In case of failure of election for independent director/s, the Chairman of the Meeting shall call a separate election during the same meeting to fill-up the vacancy.

On the other hand, SRC Rule 38, as amended, provide in part as follows:

"8. Nomination and Election of Independent Director/s

The following rules shall be applicable to all covered companies:

A. The Nomination Committee (the "Committee") shall have at least three (3) members, one of whom is an independent director. It shall promulgate the guidelines or criteria to govern the conduct of the nomination. The same shall be properly disclosed in the Company's information or proxy statement or such other reports required to be submitted to the Commission.

B. Nomination of independent director/s shall be conducted by the Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

C. The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director/s.

D. After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12, which list shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the Company is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.

E. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders'/memberships' meeting."

The nominated independent directors, namely, Mr. Raul Juan N. Esteban, Ms. Justina F. Callangan and Ms. Leticia A. Moreno were duly nominated by Ms. Rachel Ardales, a registered shareholder of the Company who is not a director, officer or substantial shareholder of the Company and who is not related to any of the said nominees. The Corporate Governance Committee of the Company, which is composed of Ms. Justina F. Callangan, Chairman, and Ms. Leticia A. Moreno and Ms. Melissa Camille Z. Domingo, members, has the duty and responsibility to assist the Board of Directors in the performance, overseeing and review of its corporate governance responsibilities, including functions of a nomination and remuneration committee.

Attendance in Board Meetings

Attendance of each director of the Corporation in Board meetings held during the year 2023 as follows:

	Jan 12	*Apr 19*	*May 18*	*Jul 05*	*Aug 14*	*Nov 14*
Manuel Paolo A. Villar	P	P	P	P	P	P
Jerylle Luz C. Quismundo	P	P	P	P	P	P
Brian N. Edang	P	P	P	P	P	P
Melissa Camille Z. Domingo	P	P	P	P	P	P
Justina F. Callangan	P	P	P	P	P	P
Leticia A. Moreno	P	P	P	P	P	P
Raul Juan N. Esteban	P	P	P	P	P	P

Legend: (A) Absent, (P) Present, (-) Not Applicable

Term of Office

Directors elected during the annual meeting of stockholders will hold office for one year until their successors are duly elected and qualified. A director who was elected to fill any vacancy holds office only for the unexpired term of his predecessor.

Resignations/Declined Nominations

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 Company on any matter relating to the Company's operations, policies or practices.

Significant Employees

The Company has no other significant employee other than its Executive Officers.

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.

Certain Relationships and Related Transactions

As of April 30, 2024, Vista Land (through its subsidiaries) holds 64.64% of the total issued and outstanding common share capital of the Company.

The Company, in their ordinary course of business, engages in transactions with Vista Land and its subsidiaries.

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

The transactions with related parties for the year ended December 31, 2023 are discussed in the Company's 2023 Audited Financial Statements attached as Annex "C" to this Information Statement. Please see Note 15, page 29 of the Notes to the Financial Statements accompanying the Company's 2023 Audited Financial Statements where the (a) business purpose of the arrangement; (b) identification of the related parties transacting business with the Company and nature of the relationship; and (c) any ongoing contractual or other commitments as a result of the arrangement, are stated.

Involvement in Certain Legal Proceedings

None of the aforementioned Directors or Executive Officers is, or has been, involved in any criminal or bankruptcy proceeding, or is, or has been, convicted by final judgement, or is, or has been, subject to any judgment of a competent court barring or otherwise limiting his involvement in any type of business, or has been found to have violated any securities laws during the past five (5) years and up to the latest date.

Appraisals and performance reports for the Board and the criteria and procedure for assessment

As of date, there is no formal appraisal or assessment process in respect of Board performance, although attendance by directors in board meetings is strictly monitored.

Compensation of Directors and Executive Officers

A. *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.

B. *Compensation of Directors*

Standard arrangements

Other than payment of reasonable per diem of ₱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, 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, during 2022 or 2023 for any service provided as a director.

Employment contract between the company and executive officers

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.

Independent Public Accountants

The auditing firm of Sycip Gorres Velayo & Company ("SGV & Company") is being recommended for election as external auditor for the current year.

Representatives of the said firm are expected to be present at the annual stockholders' meeting and will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions. In 2023, the Company's auditors did not perform any substantial non-audit services for the Company.

Changes in and Disagreement with Accountants on Accounting and Financial Disclosure

There was no instance where the Company's public accountants resigned or indicated that they decline to stand for reelection or were dismissed nor was there any instance where the Company had any disagreement with its public accountants on any accounting or financial disclosure issue.

The 2023 audit of the Company is in compliance with Part 1(3)(B)(ix) of Revised SRC Rule 68, as Amended, which provides that the external auditor should be rotated, or the handling partner changed, every five (5) years or earlier and a two-year cooling off period shall be observed in the re-engagement of the same signing partner.

For Changes in Accounting Policies, refer to Note 3 - Changes in Accounting Policies discussion on the Audited Financial Statements as of and for the years ended December 31, 2022 and 2023 included in this report.

Audit Committee's Approval Policies and Procedures
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.

The Audit Committee of the Company is composed of Mr. Raul Juan N. Esteban, Chairman, and Ms. Justina F. Callangan and Mr. Brian N. Edang, members.

Audit and Audit-Related 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 ₱ thousands 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 does not have any direct or indirect interest in the Company.

Tax Fees

Except as provided above, the Company did not pay any tax fees and other fees to its external auditors.

Issuance and Exchange of Securities

Authorization or Issuance of Securities Other than for Exchange

There is no action to be taken with respect to any authorization or issuance of securities.

Modification or Exchange of Securities

There is no action to be taken with respect to any modification of any class of securities of the Company, or the issuance or authorization for issuance of one (1) class of securities of the Company in exchange for outstanding securities of another class.

Merger, Consolidation, Acquisitions and Similar Matters

There is no action to be taken with respect to any mergers, consolidations, acquisitions, sales or other transfers of all or any substantial part of the assets of the Company, liquidation or dissolution of the Company, and similar matters.

Acquisition or Disposition of Property

There is no action to be taken with respect to any acquisition or disposition of any significant Company property.

Restatement of Accounts

There is no action to be taken with respect to anu restatement of any asset, capital, or surplus account of the Company.

Compensation Plans

There is no action to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

OTHER MATTERS

Action with Respect to Reports

The following reports will be submitted for approval by the stockholders:

1. Minutes of the last Annual Meeting of Stockholders held on July 05, 2023, covering the following matters: (i) approval of the Audited Financial Statements for the year ended 31 December 2022; (iii) ratification of all acts of the Board of Directors and Management; (iv) election of the directors of the Company for the year 2023; and (v) appointment of the external auditor of the Company for the fiscal year 2023.

   Minutes of the 2023 Annual Meeting of Stockholders is available at the website of the Company.
   https://vistareit.com.ph/assets/disclosures/minutes/VREIT%20AGM%202023%20minutes%20FINAL.pdf

   The minutes contain the description of the voting and vote tabulation procedures used in the previous meeting;

   During the previous Annual Stockholders' Meeting, stockholders of record were allowed to vote in absentia or by designating the Chairman of the meeting as their proxy. The Secretary certified that there was a quorum for the meeting with stockholders owning 6,199,062,000 common shares or 82.65% of the total issued and outstanding voting stocks, present in person or by proxy. The mode of attendance of the stockholders deemed present and their respective percentages of the outstanding shares are set forth below:

Mode of Attendance	Number of Shares Present and Represented	% of Total Outstanding Shares
Appointment of the Chairman as proxy	4,847,660,000	64.64%
Voting *in absentia*	1,345,902,000	17.94%
Remote communication	5,500,000	0.07%
TOTAL	6,199,062,000	82.65%

   The votes cast as of close of business of June 27, 2023 were tabulated. Those votes are from stockholders owning 6,199,062,000 voting shares representing 100.00% of the total shares represented in the meeting, and 82.65% of the 7,500,000,000 total outstanding shares.

   The Secretary explained that the rules of conduct and the voting procedures are set forth in the Preliminary Information Statement and in the Explanation of Agenda Items, which formed part of the Notice of the Annual Stockholders' Meeting.

   The voting results for matters taken up during the Annual Stockholders' Meeting of the

Company last July 05, 2023 is posted in the Company's website at https://vistareit.com.ph/assets/disclosures/minutes/VREIT%20AGM%202023%20minutes%20FINAL.pdf

2. The President's Report; and

3. Audited Financial Statements for the year 2023.

Other Proposed Actions

1. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders' meeting until the date of this meeting as set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the SEC and the PSE. These minutes cover various resolutions of the Board, including declaration of cash dividends, approval of 2023 Audited Financial Statements, approval of the Quarterly Unaudited Financial Statements, appointment of officers and creation of board committees, opening of bank accounts, and appointment of authorized signatories for various transactions in the normal course of business of the Company.

2. Appointment of External Auditors

Matters Not Required to be Submitted

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Amendments of Charter, By-Laws & Other Documents

There is no action to be taken with respect to amendments of the Company's Charter, By-Laws, or any other document.

Voting Procedures

Manner of voting

In all items for approval, except in the election of directors, each share of stock entitles its registered owner to one vote.

For the purpose of electing directors, a stockholder may vote such number of his shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them in the same principle among as many candidates as he shall see fit.

For this year's meeting, the Board of Directors had adopted a resolution to allow stockholders entitled to notice of, and to attend the meeting, to exercise their right to vote *in absentia.*

Stockholders as of Record Date who have successfully registered their intention to participate in the annual meeting via remote communication and to vote in absentia, duly verified and validated by the Company shall be provided with unique log-in credentials to securely access the voting portal. A stockholder voting electronically in absentia shall be deemed present for purposes of quorum.

Stockholders and proxy holders can cast their votes on specific matters for approval, including the election of directors.

Voting requirements

(a) With respect to the election of directors, candidates who received the highest number of votes shall be declared elected.

(b) With respect to the adoption of the Audited Financial Statements for the year ended 31 December 2023, as well as the approval or ratification of the other actions set forth under the heading "Other Proposed Actions" above, the vote of majority of the outstanding capital stock entitled to vote and represented in the meeting is required to approve such matters.

Method of counting votes

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are participating in the meeting by remote communication and are voting in absentia or represented by proxies.

All votes received shall be tabulated by the Office of the Corporate Secretary with the assistance of the Company's stock transfer agent. The Corporate Secretary shall report the results of voting during the meeting.

The detailed instructions for participation through remote communication are set forth in Annex "A" to the Notice of Meeting (Agenda Details and Rationale) hereof.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF SEC FORM 17-A and 1st QUARTER SEC FORM 17-Q FREE OF CHARGE, EXCEPT FOR EXHIBITS ATTACHED THERETO WHICH SHALL BE CHARGED AT COST. ANY WRITTEN REQUEST FOR A COPY OF SEC FORM 17-A AND THE 1st QUARTER SEC FORM 17-Q SHALL BE ADDRESSED AS FOLLOWS:

VistaREIT, Inc.
Lower Ground Floor, Building B,
EVIA Lifestyle Center, Daanghari,
Almanza Dos, Las Piñas City

Attention: Brian N. Edang

PART II

MANAGEMENT REPORT

I. FINANCIAL STATEMENTS

The Audited Financial Statements of the Company and the Interim Unaudited Financial Statements of the Company as of and for the quarter ended March 31, 2024 are incorporated herein in the accompanying Index to Financial Statements and Supplementary Schedules.

II. INFORMATION ON INDEPENDENT ACCOUNTANT

SGV & Company, independent certified public accountants, audited the Company's Financial Statements without qualification as of and for the years ended December 31, 2022 and 2023, included in this report. Cyril Jasmin B. Valencia is the current audit partner for the Company and its subsidiaries.

The Company has not had any disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period. SGV & Co. has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. SGV & Co. will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants or rights thereto). The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The 2023 audit of the Company is in compliance with Part 1(3)(B)(ix) of Revised SRC Rule 68, as Amended, which provides that the external auditor should be rotated, or the handling partner changed, every five (5) years or earlier and a two-year cooling off period shall be observed in the re-engagement of the same signing partner.

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 and Company does not have any direct or indirect interest in the Company.

III. AUDIT COMMITTEE'S APPROVAL AND PROCEDURES FOR THE SERVICES OF THE EXTERNAL AUDITOR

The scope, extent and nature of the services to be referred to, and/or rendered by the appointed external auditor of the Company has been 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.

IV. MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS COVERING THREE MONTHS ENDED MARCH 31, 2024 VS. THREE MONTHS ENDED MARCH 31, 2023

	Three months ended March 31			
(in ₱ thousands)	**2023**	**2022**	**Change**	
	Unaudited	**Unaudited**	**In Pesos**	**In %**
REVENUES				
Rental Income	531,337	804,722	(273,385)	(34.0%)
Parking fees	11,222	9,902	1,320	13.3%
Other Operating Income	17,972	32,387	(14,415)	(44.5%)
	560,531	**847,011**	**(286,480)**	**(33.8%)**
FAIR VALUE CHANGE IN INVESTMENT PROPERTIES				
Decrease in fair value of investment properties	-	-	-	100.0%
Straight-line adjustments	(116,763)	(418,786)	302,023	(72.1%)
Other operating expense	(606)	-	(606)	100.0%
	(117,369)	**(418,786)**	**301,417**	**(72.0%)**
COSTS AND EXPENSES				
General and administrative expenses	128,173	122,207	5,966	4.9%
Marketing expense	214	9,349	(9,135)	(97.7%)
Other operating expense	5,832	1,794	4,038	225.1%
	134,219	**133,350**	**869**	**0.7%**
OTHER INCOME (EXPENSE)				
Interest income	1,025	256	769	301.0%
Interest expense and other finance charges	(45)	(522)	477	(91.4%)
	980	**(266)**	**1,246**	**(468.1%)**
INCOME BEFORE INCOME TAX	**309,923**	**294,609**	**15,316**	**5.2%**
PROVISION FOR INCOME TAX	**1**	**2**	**(1)**	**(65.7%)**
NET INCOME	**309,922**	**294,607**	**15,317**	**5.2%**

Revenues

Revenues decreased to ₱560.5 million for the three months ended March 31, 2024 from ₱847.0 million for the three months ended March 31, 2023. The 33.8% decrease in the account was primarily attributable to the recognition of higher straight-line adjustment as at March 31, 2023 as well as the following:

- Rental income decreased by 34.0% from ₱804.7 million for the three months ended March 31, 2023 to ₱531.3 million for the three months ended March 31, 2024. The decrease was due to recognition of higher straight-line adjustment on the prior period. As of March 31, 2024, the occupancy rate is at 97%.

- Parking fees increased by 13.3% to ₱11.2 million for the three months ended March 31, 2024 from ₱9.9 million for the three months ended March 31, 2023 primarily driven by the increase in numbers of vehicles parked in the malls.

- Other operating income decreased from ₱32.4 million for the three months ended March 31, 2023 to ₱18.0 million for the three months ended March 31, 2024. The 44.5% decrease was due to the decrease in administrative fees and other fees charged to tenants.

Fair value changes in investment properties

Fair value changes in investment properties recorded a loss ₱117.4 million for the three months ended March 31, 2024 from a loss of ₱418.8 million for the three months ended March 31, 2023 attributable to:

- Straight line adjustments decreased by 72.1% to ₱116.8 million for the three months ended March 31, 2024 from ₱418.8 million for the three months ended March 31, 2023 due to normalized recognition of rental income of lease contracts on a straight line basis for the period.

Costs and Expenses

Cost and expenses decreased from ₱133.4 million for the three months ended March 31, 2023 to ₱134.2 million for the three months ended March 31, 2024. The 0.7% decrease in the account was primarily attributable to the following:

- General and administrative expenses increased by 4.9% to ₱128.2 million for the three months ended March 31, 2024 from ₱122.2 million for the three months ended March 31, 2023 due to the increases in repairs and maintenance and rentals and condominium dues.

- Marketing expenses decreased by 97.7% to ₱0.2 million for the three months ended March 31, 2024 from ₱9.3 million for the three months ended March 31, 2023 due to cost rationalization.

- Other operating expenses increased by 225.1% to ₱5.8 million for the three months ended March 31, 2024 from ₱1.8 million for the three months ended March 31, 2023 due to the decrease in miscellaneous expenses and office supplies used for the period.

Other Income

Interest income increased from ₱0.26 million for the three months ended March 31, 2023 to ₱1.03 million for the three months ended March 31, 2024. The 301.0% increase resulted from the interest earned from the increase in cash in banks of the company for the period.

Income before income tax

As a result of the foregoing, income before income tax increased by 5.2% to ₱309.9 million in the three months ended March 31, 2024 from ₱294.6 million in the three months ended March 31, 2023.

Provision for income tax

Tax expense for the three months ended March 31, 2024 was ₱0.001 million, a decrease of 65.7% from ₱0.002 million for the three months ended March 31, 2023. This was due primarily to the REIT Law granting the Company an exemption on the tax.

Net Income

As a result of the foregoing, net income increased by 5.2% to ₱309.9 million in the three months ended March 31, 2024 from ₱294.6 million in the three months ended March 31, 2023.

For the year three months ended, except as discussed in *Note 15 – Other Matters and Subsequent Events* of the first quarter 2024 Unaudited Financial Statements, there were no other 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 March 31, 2024 vs. December 31, 2023

(in ₱ thousands)	March 31, 2024	December 31, 2023	Change	
	Unaudited	Audited	In Pesos	In %
ASSETS				
Current Assets				
Cash	71,019	30,162	40,857	135.5%
Receivables	2,060,969	1,933,116	127,853	6.6%
Due from related parties	177,933	445,149	(267,216)	(60.0%)
Other current assets	54,802	35,828	18,974	53.0%
Total Current Assets	**2,364,723**	**2,444,255**	**(79,532)**	**(3.3%)**
Noncurrent Assets				
Receivables – net of current portion	1,196,624	967,782	228,842	23.6%
Property and equipment – net	10,162	12,146	(1,984)	(16.3%)
Investment properties – net	25,340,374	25,457,137	(116,763)	(0.5%)
Other noncurrent assets	106,072	114,396	(8,324)	(7.3%)
Total Noncurrent Assets	**26,653,232**	**26,551,461**	**101,771**	**0.4%**
	29,017,955	**28,995,716**	**22,238**	**0.1%**

LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	522,263	474,542	77,721	16.4%
Security deposits and advance rent	384,584	385,062	(478)	(0.1%)
Payable to related parties	–	270,017	(270,017)	(100.0%)
Dividends payable	11	103,572	(103,561)	(100.0%)
Total Current Liabilities	**936,858**	1,233,193	**(296,335)**	**(24.0%)**
Noncurrent Liabilities				
Other noncurrent liabilities	268,700	260,048	8,652	3.3%
Total Noncurrent Liabilities	**268,700**	**260,048**	**8,652**	**3.3%**
	1,205,558	**1,493,241**	**(287,684)**	**(19.3%)**
Equity				
Capital stock	7,500,000	7,500,000	-	0.0%
Additional paid-in capital	28,720,894	28,720,894	-	0.0%
Retained Earnings	(8,408,497)	(8,718,419)	309,922	(3.6%)
Total Equity	**27,812,397**	**27,502,475**	**309,922**	**1.1%**
	29,017,955	**28,995,716**	**22,239**	**0.1%**

Total assets as of March 31, 2024 are ₱29,017.96 million compared to ₱28,995.72 million as of December 31, 2023, or a 0.1% increase. This was due to the following:

- Cash increased by 135.5% from ₱30.16 million as of December 31, 2023 to ₱71.0 million as of March 31, 2024 due to cash flow from the operations and investing activity for the period.

- Receivables increased by 12.3% from ₱2,900.90 million as of December 31, 2023 to ₱3,257.6 million as of March 31, 2024 due to the increase in receivables from tenants.

- Due from related parties decreased by 60.0% from ₱445.15 million as of December 31, 2023 to ₱177.93 million as of March 31, 2024 due to the settlement for the period.

- Other assets increased by 7.1% from ₱150.22 million as of December 31, 2023 to ₱160.87 million as of March 31, 2024 due to the increase in input vat and prepaid expenses.

- Property and equipment decreased by 16.3% from ₱12.15 million as of December 31, 2023 to ₱10.16 million as of March 31, 2024 due to the depreciation of properties and equipment.

- Investment Properties decreased by 0.5% from ₱25,457.14 million as of December 31, 2023 to ₱25,340.37 million as of March 31, 2024 due to the change in fair value of the investment properties particularly from the straight-line adjustment.

Total liabilities as of March 31, 2024 are ₱1,205.56 million compared to ₱1,493.24 million as of December 31, 2023, or a 19.3% decrease. This was due to the following:

- Accounts and other payables increased by 16.4% from ₱474.54 million as of December 31, 2023 to ₱552.26 million as of March 31, 2024 due to the increase in payable to suppliers of the commercial malls and withholding tax payable.

- Security deposits and advance rent including noncurrent portion increased by 1.3% from ₱645.11 million as of December 31, 2023 to ₱653.28 million as of March 31, 2024 due to the application of security deposits and advance rent of the tenants.

- Payable to related parties decreased by 100.0% from ₱270.02 million as of December 31, 2023 to nil as of March 31, 2024 due to the settlement for the period.

- Dividends payable decreased by 100.0% from ₱103.57 million as of December 31, 2023 to ₱0.011 million as of March 31, 2024 due to the dividends paid to the shareholders.

Total stockholder's equity increased by 1.1% from ₱27,502.47 million as of December 31, 2023 to ₱27,812.40 million as of March 31, 2024 due to the income earned for the period.

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

Key Performance Indicators	03/31/2024	12/31/2023
Current ratio [a]	2.52:1	1.98:1
Debt ratio [b]	0.00:1	0.00:1

Key Performance Indicators	03/31/2024	03/31/2023
Return on equity [c]	4.46%	4.45%
Net Profit Margin [d]	55%	35%
EBITDA [e]	311,951.49	297,771.52

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 loan
(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 March 31, 2024 increased from that of December 31, 2023 due to the decrease in current liabilities.

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

Net Profit Margin increased due to the higher revenue and lower costs and expenses for the prior year.

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

Material Changes to the Company's Balance Sheet as of March 31, 2024 compared to December 31, 2023 (increase/decrease of 5% or more)

Cash increased by 135.5% from ₱30.16 million as of December 31, 2023 to ₱71.0 million as of March 31, 2024 due to cash flow from the operations and investing activity for the period.

Receivables increased by 12.3% from ₱2,900.90 million as of December 31, 2023 to ₱3,257.6 million as of March 31, 2024 due to the increase in receivables from tenants.

Due from related parties decreased by 60.0% from ₱445.15 million as of December 31, 2023 to ₱177.93 million as of March 31, 2024 due to the settlement for the period.

Other assets increased by 7.1% from ₱150.22 million as of December 31, 2023 to ₱160.87 million as of March 31, 2024 due to the increase in input vat and prepaid expenses.

Property and equipment decreased by 16.3% from ₱12.15 million as of December 31, 2023 to ₱10.16 million as of March 31, 2024 due to the depreciation of properties and equipment.

Accounts and other payables increased by 16.4% from ₱474.54 million as of December 31, 2023 to ₱552.26 million as of March 31, 2024 due to the increase in payable to suppliers of the commercial malls and withholding tax payable.

Payable to related parties decreased by 100.0% from ₱270.02 million as of December 31, 2023 to nil as of March 31, 2024 due to the settlement for the period.

Dividends payable decreased by 100.0% from ₱103.57 million as of December 31, 2023 to ₱0.011 million as of March 31, 2024 due to the dividends paid to the shareholders.

Material Changes to the Company's Statement of income for the period ended March 31, 2024 compared to the period ended March 31, 2023 (increase/decrease of 5% or more)

Rental income decreased by 34.0% from ₱804.7 million for the three months ended March 31, 2023 to ₱531.3 million for the three months ended March 31, 2024. The decrease was due to recognition of higher straight-line adjustment on the prior period. As of March 31, 2024, the occupancy rate is at 97%.

Parking fees increased by 13.3% to ₱11.2 million for the three months ended March 31, 2024 from ₱9.9 million for the three months ended March 31, 2023 primarily driven by the increase in numbers of vehicles parked in the malls.

Other operating income decreased from ₱32.4 million for the three months ended March 31, 2023 to ₱18.0 million for the three months ended March 31, 2024. The 44.5% decrease was due to the decrease in administrative fees and other fees charged to tenants.

Straight line adjustments decreased by 72.1% to ₱116.8 million for the three months ended March 31, 2024 from ₱418.8 million for the three months ended March 31, 2023 due to normalized recognition of rental income of lease contracts on a straight line basis for the period.

General and administrative expenses increased by 4.9% to ₱128.2 million for the three months ended March 31, 2024 from ₱122.2 million for the three months ended March 31, 2023 due to the increases in repairs and maintenance and rentals and condominium dues.

Marketing expenses decreased by 97.7% to ₱0.2 million for the three months ended March 31, 2024 from ₱9.3 million for the three months ended March 31, 2023 due to cost rationalization.

Other operating expenses increased by 225.1% to ₱5.8 million for the three months ended March 31, 2024 from ₱1.8 million for the three months ended March 31, 2023 due to the decrease in miscellaneous expenses and office supplies used for the period.

Interest income increased from ₱0.26 million for the three months ended March 31, 2023 to ₱1.03 million for the three months ended March 31, 2024. The 301.0% increase resulted from the interest earned from the increase in cash in banks of the company for the period.

Tax expense for the three months ended March 31, 2024 was ₱0.001 million, a decrease of 65.7% from ₱0.002 million for the three months ended March 31, 2023. This was due primarily to the REIT Law granting the Company an exemption on the tax.

For the year three months ended, except as discussed in Note 15 – Other Matters and Subsequent Events of the first quarter 2024 Unaudited Financial Statements, there were no other 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 2023 VS YEAR END 2022

RESULTS OF OPERATIONS

	Years ended December 31			
(in ₱ thousands)	**2023 Audited**	**2022 Audited**	**Change In Pesos**	**In %**
REVENUES				
Rental income	2,411,021	1,957,566	453,455	23.2%
Parking fees	40,505	32,672	7,832	24.0%
Other operating income	173,496	109,293	62,308	56.0%
	2,625,021	**2,099,531**	**523,596**	**24.9%**
FAIR VALUE CHANGE IN INVESTMENT PROPERTIES				
Decrease in fair value of investment properties	1,089,899	(10,657,696)	11,747,595	(110.2%)
Straight-line adjustments	(550,363)	(529,499)	(20,864)	3.9%
Other operating expense	(1,817)	(12,352)	10,535	(85.3%)
	537,719	**(11,199,547)**	**11,737,266**	**100.0%**
COSTS AND EXPENSES				
General and administrative expenses	552,946	440,610	112,336	25.5%
Marketing expenses	32,975	14,229	18,745	131.7%
Other operating and administrative	16,265	22,399	(6,134)	(27.4%)
	602,186	**477,239**	**124,947**	**26.2%**
OTHER INCOME (EXPENSE)				
Interest income	53	20	32	158.0%
Interest expense and other financing charges	(165)	(91)	(74)	100.0%
	(113)	**(70)**	**(42)**	**59.9%**
INCOME BEFORE INCOME TAX	**2,560,441**	**(9,575,431)**	**12,135,873**	**(126.7%)**
PROVISION FOR INCOME TAX	**41,205**	**42,787**	**(1,583)**	**(3.7%)**
NET INCOME	**2,519,237**	**(9,618,219)**	**12,137,455**	**(126.2%)**

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

	Years ended December 31			
(in ₱ thousands)	**2023**	**2022**	**Change**	
	Audited	**Audited**	**In Pesos**	**In %**
ASSETS				
Current Assets				
Cash	30,162	88,957	(58,795)	(66.1%)
Receivables – net	1,933,116	757,541	1,175,574	155.2%
Due from related parties	445,149	1,176,935	(731,785)	(62.2%)
Other current assets	35,828	129,636	(93,807)	(72.4%)
Total Current Assets	**2,444,255**	**2,153,068**	**291,187**	**13.5%**

Noncurrent Assets				
Receivables - net of current portion	967,782	480,512	487,270	101.4%
Property and equipment – net	12,146	18,140	(5,994)	(33.0%)
Investment properties – net	25,457,137	24,836,894	620,243	2.5%
Other noncurrent assets	114,396	30,186	84,211	279.0%
Total Noncurrent Assets	**26,551,461**	**25,365,732**	**1,185,729**	**4.7%**
	28,995,716	**27,518,800**	**1,476,915**	**5.4%**
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	474,542	246,172	228,370	92.8%
Security deposits and advance rent	385,062	589,301	(204,239)	(34.7%)
Payable to related parties	270,017	274,608	(4,591)	(1.7%)
Dividends payable	103,572	175,011	(71,439)	(40.8%)
Income tax payable	-	30,138	(30,138)	(100.0%)
Total Current Liabilities	**1,233,194**	**1,315,230**	**(82,036)**	**(6.2%)**
Noncurrent Liabilities				
Other noncurrent liabilities	260,048	39,831	220,217	552.9%
Total Noncurrent Liabilities	**260,048**	**39,831**	**220,217**	**552.9%**
	1,493,241	**1,355,061**	**138,180**	**10.2%**
Equity				
Capital stock	7,500,000	7,500,000	-	0.0%
Additional paid-in capital	28,720,894	28,720,894	-	0.0%
Retained earnings	(8,718,419)	(10,057,156)	1,338,737	(13.3%)
Total Equity	**27,502,475**	**26,163,738**	**1,338,737**	**5.1%**
	28,995,716	**27,518,799**	**1,476,916**	**5.4%**

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.

<u>REVIEW OF YEAR END 2022 VS YEAR END 2021</u>

RESULTS OF OPERATIONS

	Years ended December 31			
(in ₱ thousands)	**2022 Audited**	**2021 Audited**	**Change In Pesos**	**Change In %**
REVENUES				
Rental income	1,957,566	-	1,957,566	100.0%
Parking fees	32,672	-	32,672	100.0%
Other operating income	109,293	-	109,293	100.0%
	2,099,531	**-**	**2,099,531**	**100.0%**
FAIR VALUE CHANGE IN INVESTMENT PROPERTIES				
Decrease in fair value of investment properties	(10,657,696)	-	(10,657,696)	100.0%
Straight-line adjustments	(529,499)	-	(529,499)	100.0%
Other operating expense	(12,352)	-	(12,352)	100.0%
	(11,199,547)	**-**	**(11,199,547)**	**100.0%**

COSTS AND EXPENSES				
General and administrative expenses	440,611	126	440,485	350,146.8%
Marketing expenses	14,229	-	14,229	100.0%
Other operating and administrative	22,399	10	22,389	228,907.9%
	477,239	**136**	**477,103**	**351,895.5%**
OTHER INCOME (EXPENSE)				
Interest income	1,915	18	1,897	10,346.3%
Interest expense and other financing charges	(91)	-	(91)	100.0%
	1,824	**18**	**1,806**	**9,850.5%**
INCOME BEFORE INCOME TAX	**(9,575,430)**	**(117)**	**(9,575,313)**	**8,166,787.4%**
PROVISION FOR INCOME TAX	**42,787**	**4**	**42,783**	**1,166,715.9%**
NET INCOME	**(9,618,218)**	**(121)**	**(9,618,097)**	**7,954,493.8%**

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, except as discussed in *Note 22 – Subsequent Events* of the 2022 Audited Financial Statements, 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

	Years ended December 31			
(in ₱ thousands)	2022 Audited	2021 Audited	Change In Pesos	Change In %
ASSETS				
Current Assets				
Cash	88,957	510,074	(421,118)	(82.6)%
Receivables – net	757,541	-	757,541	100.0%
Due from related parties	1,176,935	-	1,176,935	100.0%
Other current assets	129,636	1	129,635	100.0%
Total Current Assets	**2,153,068**	**510,075**	**1,642,993**	**322.1%**
Noncurrent Assets				
Receivables - net of current portion	480,512	-	480,512	100.0%
Property and equipment – net	18,140	-	18,140	100.0%
Investment properties – net	24,836,894	-	24,836,894	100.0%
Other noncurrent assets	30,186	-	30,186	100.0%
Total Noncurrent Assets	**25,365,731**	**-**	**25,365,731**	**100.0%**
	27,518,799	**510,075**	**27,008,724**	**5,295.0%**
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	246,172	5,181	240,991	4,651.4%
Security deposits and advance rent	589,301	-	589,301	100.0%
Payable to related parties	274,608	4,582	270,026	5,892.8
Dividends payable	175,011	-	175,011	100.0%
Income tax payable	30,138	-	30,138	100.0%
Total Current Liabilities	**1,315,231**	**9,763**	**1,305,467**	**13,371.2%**
Noncurrent Liabilities				
Other noncurrent liabilities	39,831	-	39,831	100.0%
Total Noncurrent Liabilities	**39,831**	**-**	**39,831**	**100.0%**
	1,355,061	**9,763**	**1,345,298**	**13,779.2%**
Equity				
Capital stock	7,500,000	510,000	6,990,000	1,370.6%
Additional paid-in capital	28,720,894	-	28,720,894	100.0%
Retained earnings	(10,057,156)	(9,688)	(10,047,468)	103,707.6%
Total Equity	**26,163,738**	**500,312**	**25,663,426**	**5,129.5%**
	27,518,799	**510,075**	**27,008,724**	**5,295.0%**

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, except as discussed in *Note 22 – Subsequent Events* of the 2022 Audited Financial Statements, 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.

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 Preliminary Information Statement are based on the said Combined Carved-out FS.

REVIEW OF YEAR END 2021 VS YEAR END 2020

RESULTS OF OPERATIONS

	Years ended December 31			
(in ₱ thousands)	**2021 Audited**	**2020 Audited**	**Change In Pesos**	**Change In %**
REVENUES				
Rental income	2,200,485	1,911,501	288,984	15.1%
Parking fees	23,641	20,787	2,854	13.7%
Other operating income	81,605	44,317	37,288	84.1%
	2,305,731	**1,976,605**	**329,126**	**16.7%**
COSTS AND EXPENSES				
General and administrative expenses	1,057,624	1,027,066	30,558	3.0%
Marketing expenses	8,904	13,513	(4,609)	(34.1)%
Other operating and administrative	25,508	12,459	13,049	104.7%
	1,092,036	**1,053,038**	**38,998**	**3.7%**

OTHER INCOME (EXPENSE)				
Interest income	7,093	10,594	(3,501)	(33.0)%
Interest expense and other financing charges	(77,944)	(86,971)	9,027	(10.4)%
	(70,851)	**(76,377)**	**5,526**	**(7.2)%**
INCOME BEFORE INCOME TAX	**1,142,844**	**847,190**	**295,654**	**34.9%**
PROVISION FOR INCOME TAX	**212,354**	**254,148**	**(41,794)**	**(16.4)%**
NET INCOME	**930,490**	**593,042**	**337,448**	**56.9%**

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.

Income before income tax

As a result of the foregoing, income before income tax increased by 34.9% to ₱1,143 million in the year ended December 31, 2021 from ₱847 million in the year ended December 31, 2020.

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, except as discussed in the notes to financial statements Events after the report date on the potential impact of the COVID-19 pandemic, 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

	Years ended December 31			
(in ₱ thousands)	**2021 Audited**	**2020 Audited**	**Change In Pesos**	**Change In %**
ASSETS				
Current Assets				
Cash	19,069	20,836	(1,767)	(8.5)%
Receivables – net	857,645	621,428	236,217	38.0%
Other current assets	436,589	282,034	154,555	54.8%
Total Current Assets	**1,313,303**	**924,298**	**389,005**	**42.1%**
Noncurrent Assets				
Receivables - net of current portion	1,673,565	1,088,295	585,270	53.8%
Property and equipment – net	27,009	34,616	(7,607)	(22.0)%
Investment properties – net	15,941,763	16,450,270	(508,507)	(3.1)%
Other noncurrent assets	1,036,157	1,166,693	(130,536)	(11.2)%
Total Noncurrent Assets	**18,678,494**	**18,739,874**	**(61,380)**	**(0.3)%**
	19,991,797	**19,664,172**	**327,625**	**1.7%**
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	557,933	463,779	94,154	20.3%
Security deposits and advance rent	406,805	300,867	105,938	35.2%
Income tax payable	98,116	103,030	(4,914)	(4.8)%
Current portion of:				
Lease liabilities	37,680	36,818	862	2.3%
Bank loans	142,148	141,836	312	0.2%
Total Current Liabilities	**1,242,682**	**1,046,330**	**196,352**	**18.8%**

Noncurrent Liabilities				
Lease liabilities - net of current portion	390,507	384,126	6,381	1.7%
Bank loans - net of current portion	285,155	427,303	(142,148)	(33.3)%
Pension liabilities	7,732	6,889	843	12.2%
Deferred tax liabilities – net	447,951	368,434	79,517	21.6%
Other noncurrent liabilities	160,767	272,648	(111,881)	(41.0)%
Total Noncurrent Liabilities	**1,292,112**	**1,459,400**	**(167,288)**	**-11.5%**
	2,534,794	**2,505,730**	**29,064**	**1.2%**
Equity				
Invested equity	16,069,492	15,870,318	199,174	1.3%
Non-controlling interest	1,387,511	1,288,124	99,387	7.7%
Total Equity	**17,457,003**	**17,158,442**	**298,561**	**1.7%**
	19,991,797	**19,664,172**	**327,625**	**1.7%**

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 asof December 31, 2020 to ₱17,457 million as of December 31, 2021 to 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.

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

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.

There are no material commitments for capital expenditures.

Except for the recovery as a result of the opening up of the economy, there are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

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 or loss that did not arise from the registrant's continuing operations.

COMMITMENTS AND CONTINGENCIES

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

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing the Company's liquidity in any material way. The Company sourced its capital requirements through internally generated cash.

The Company does not expect any material cash requirements beyond the normal course of the business. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation except for those items disclosed in the Audited Financial Statements as of and for the years ended December 31, 2022 and 2023 and in the Interim Unaudited Financial Statements of the Company as of and for the quarter ended March 31, 2024.

There are no material off-balance sheet transactions, arrangements, obligation (including contingent obligations), or other relationships of the Company with unconsolidated entities or other persons created during the reporting period except those disclosed in the Audited Financial Statements as of and for the years ended December 31, 2022 and 2023 and in the Interim Unaudited Financial Statements of the Company as of and for the quarter ended March 31, 2024.

There are no material commitments for capital expenditures, events or uncertainties that have had or that are reasonably expected to have a material impact on the continuing operations of the Company.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. There are no explanatory comments on the seasonality of the operations. There are no material events subsequent to the end of the fiscal period that have not been reflected in the financial statements.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature; neither are there changes in estimates of amounts reported in a prior period of the current financial year.

IV. NATURE AND SCOPE OF BUSINESS

VistaREIT, Inc. was incorporated under Philippine law on August 24, 2020 under the name of Vista One, Inc. with an authorized capital stock of ₱40,000,000.00 divided into 40,000,000 common shares with a par value of ₱1.00 per share. Vista One, Inc. was incorporated to own, manage, operate and engage in the leasing of income-generating real properties. The Company did not have any business operation since its incorporation until the infusion of assets to its property portfolio under the Property-for-Share Swap. On December 29, 2021, the SEC approved the increase in its authorized capital stock to ₱2,000,000,000.00 divided into 2,000,000,000 common shares with a par value of ₱1.00 per share and on March 14, 2022, the SEC approved the increase in its authorized capital stock to ₱15,000,000,000.00 divided into 15,000,000,000 common shares with a par value of ₱1.00 per share. On March 16, 2022, the Board of Directors approved the following amendments to its Articles of Incorporation and By-Laws: (a) changing the corporate name to VistaREIT, Inc.; (b) changing the Company's primary purpose to engage in the business of a real estate investment trust as provided under the REIT Regulations; (c) changing the Company's principal place of business; (d) increasing the number of the Board of Directors from five (5) to seven (7); (d) denying the stockholders' pre-emptive rights; (e) amendments on the PSE lock-up requirement; (f) corporate governance provisions for REITs and publicly listed companies; (h) qualifications of directors; (i) corporate governance revisions for independent directors; (j) changes on compensation clause; (k) constitute board committees including Executive Committee; Compensation and Remuneration Committee, Audit Committee, Related Party

Transaction committee; (l) appointment of stock transfer agent; (m) schedule of regular annual meetings; (n) amendments on dividends; (o) the Fund Manager; and (p) the Property Manager. As of June 30, 2022, the Company has 7,500,000,000 common shares issued and outstanding. The Company has no preferred shares and no shares held in treasury. On April 18, 2022, the SEC approved the foregoing amendments to the Articles of Incorporation and By-laws.

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.

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 P1.75 per share.

As of March 31, 2024, 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.

The Company's principal place of business is at the Lower Ground Floor, Building B, Evia Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City.

V. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

<u>Market Information</u>

The Company's common shares are listed with the Philippine Stock Exchange since June 15, 2022. The high and low sales prices for the quarter from the listing date as traded on the Philippine Stock Exchange are as follows:

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

The market capitalization of VREIT as of April 30, 2024, based on the closing price of ₱1.75 per share, was approximately ₱13.125 billion.

Price Information as of the Latest Practicable Trading Date

Trading Date	High	Low	Close
24 May 2024	1.75	1.73	1.74

Stockholders

Common Shares

There are approximately 5,841 holders of common equity security of the Company as of April 30, 2024 (based on the number of accounts registered with the Stock Transfer Agent). As of April 30, 2024, the following are the top 20 holders of the common securities of the Company:

	Stockholders Name	No. of Common Shares	Percentage (of Common Shares)[6]
1.	PCD NOMINEE CORPORATION - FILIPINO	2,627,432,250	35.03%
2.	MASTERPIECE ASIA PROPERTIES, INC.	2,472,009,663	32.96%
3.	VISTA RESIDENCES, 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 – NON-FILIPINO	19,151,750	0.26%
8.	MANUEL PAOLO A. VILLAR[7]	4,500,000	0.06%
9.	JERYLLE LUZ C. QUISMUNDO[7]	500,000	0.01%
10.	BRIAN N. EDANG[7]	250,000	0.00%
11.	MYRA P. VILLANUEVA	121,000	0.00%
12.	RAUL JUAN N. ESTEBAN	62,500	0.00%
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.	HENRY SIDAMON	33,000	0.00%
18.	MILAGROS P. VILLANUEVA	30,000	0.00%
19.	MARIETTA V. CABREZA	5,000	0.00%
20.	JUAN CARLOS V. CABREZA	5,000	0.00%
21.	JENNIFER T. RAMOS	2,000	0.00%
	Total issued and outstanding common shares as of April 30, 2024	**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

[6] based on the total shares issued of 7,500,000,000
[7] Lodged under PCD Nominee Corporation - Filipino

₱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

₱0.03610 per share Regular Cash Dividend
Declaration Date: November 11, 2022
Record date: November 28, 2022
Payment date: December 19, 2022

₱0.02100 per share Regular with Special Cash Dividend
Declaration Date: August 15, 2022
Record date: August 30, 2022
Payment date: September 20, 2022

₱0.00196 per share Regular Cash Dividend
Declaration Date: March 31, 2022
Record date: March 01, 2022
Payment date: March 31, 2022

Dividend Policy

The Company's Board is authorized to declare dividends. A cash dividend declaration does not require any further approval from the Company's shareholders. A stock dividend declaration requires the approval of shareholders representing not less than two-thirds of the Company's outstanding capital stock. Dividends shall be declared only from unrestricted retained earnings.

In relation to foreign shareholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the Banko Sentral ng Pilipinas.

The Company is allowed under Philippine laws to declare property and stock dividends, subject to certain requirements.

Furthermore, the Company has adopted a dividend policy in accordance with the provisions of the REIT Law. Pursuant to the REIT Law and the Revised REIT IRR, the Company's shareholders may be entitled to receive at least 90% of the Company's annual distributable income for the preceding year subject to compliance with requirements, including but not limited to the requirement that the dividends shall be payable only from the unrestricted retained earnings as provided for under Section 42 of the Corporation Code, the terms and conditions of the Company's outstanding loan facilities in the event the Company incurs indebtedness and the absence of circumstances which may restrict the payment of such amount of dividends, among others. The Company intends to declare and play out at least 90% of its distributable income as dividends on a quarterly basis each year.

Record Date

Pursuant to existing Philippine SEC rules, cash dividends declared by a company must have a record date not less than 10 nor more than 30 days from the date the cash dividends are declared. With respect to stock dividends, the record date is to be not less than 10 or more than 30 days from the date of shareholder approval. If no record date is set, under SEC rules, the record date will be deemed fixed at fifteen (15) calendar days from the date of the stock dividend declaration. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the Philippine SEC.

Recent Sale of Unregistered Securities

There have been no sales of unregistered securities from the date of the listing.

Stock Options

None.

VI. COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

The Company's Board has adopted a Manual on Corporate Governance. The Company's Manual on Corporate Governance describes the terms and conditions by which the Company intends to conduct sound corporate governance practices that are consistent with the relevant laws and regulations of the Republic of the Philippines, and which seek to enhance business transparency and build shareholder value.

Ultimate responsibility and oversight of the Company's adherence to superior corporate governance practices rests with the Board of Directors. As a policy matter, the Board will hold monthly meetings, at which any number of relevant corporate governance issues may be raised for discussion.

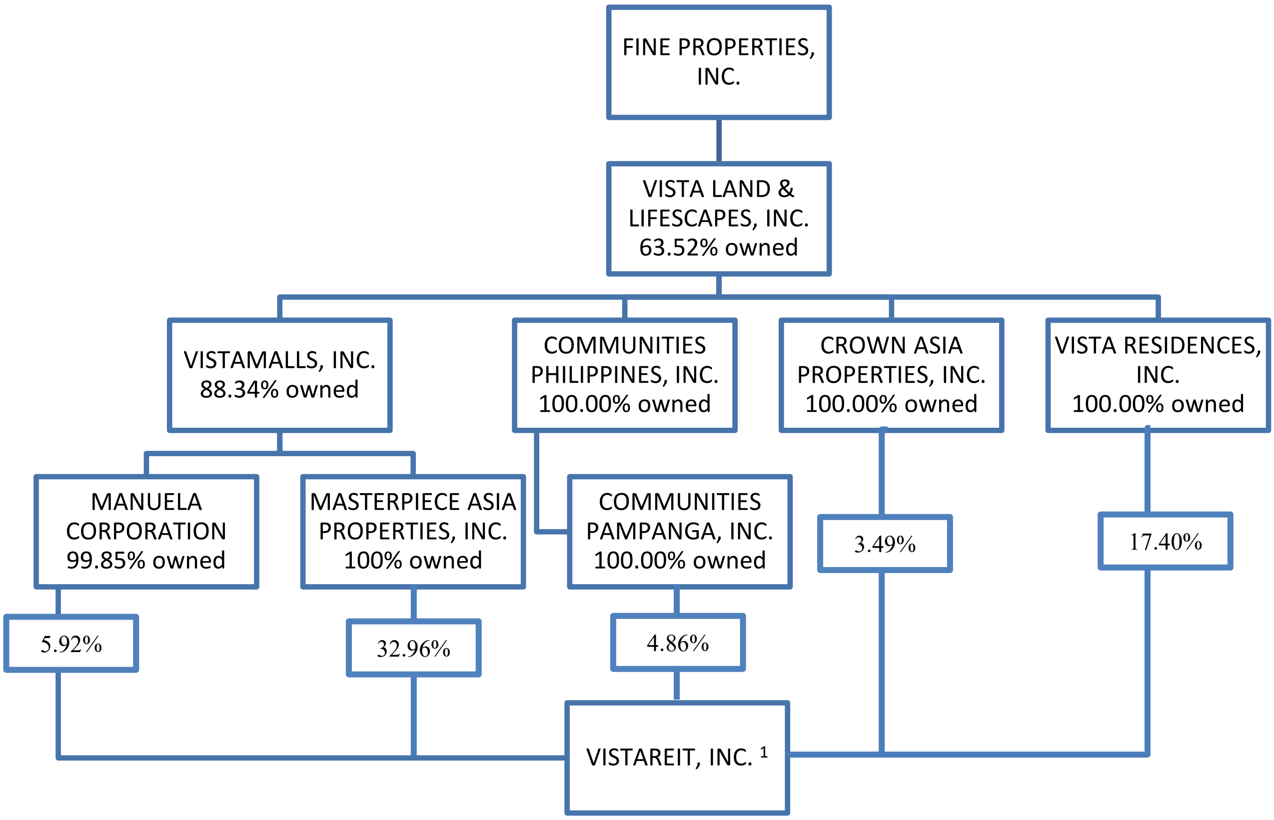
Practical oversight of the Company's corporate governance standards is exercised through the Board's Corporate Governance Committee.

The Company is committed to building a solid reputation for sound corporate governance practices, including a clear understanding by its Directors of the Company's strategic objectives, structures to ensure that such objectives are realized, systems to ensure the effective management of risks and the systems to ensure the Company's obligations are identified and discharged in all aspects of its business.

As of the date of this report, there are no known material deviations from the Company's Manual of Corporate governance. The Company is taking further steps to enhance adherence to principles and practices of good corporate governance.

VISTA GROUP REIT PROPERTIES

COMPANY STRUCTURE
DECEMBER 31, 2023



[1]*Remaining 35.36% are owned by individual shareholders.*

PART III

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth on this Report is true, complete and correct. This Report is signed in Mandaluyong City on 27th May 2024.

By:

BRIAN N. EDANG
Officer-in-charge

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **Leticia A. Moreno**, Filipino, of legal age and a resident of **240 Lucerne, Pine Crest Condominiums, Aurora Blvd. corner Balete Drive, Quezon City 1111**, after having been duly sworn to in accordance with law do hereby declare that:

1. I have been nominated for election as independent director of **VistaREIT, Inc.**

2. I am affiliated with the following companies or organizations:

Company/ Organization	Position/ Relationship	Period of Service
Rizal MicroBank – A Thrift Bank of RCBC	Independent Director	September 2022 to date
RCBC Leasing and Finance Corporation	Independent Director	September 2022 to date

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **VistaREIT, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director, officer, or substantial shareholder of **VistaREIT, Inc.**

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of **VistaREIT, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done, this MAY 2 7 2024 at MANDALUYONG CITY.

LETICIA A. MORENO
Affiant

SUBSCRIBED AND SWORN to before me this MAY 2 7 2024 at MANDALUYONG CITY, affiant personally appeared before me and exhibited to me her Driver's License with ID no. N03-85-012035 valid until 11 September 2032.

Doc. No. 174
Page No. 36
Book No. XXIII
Series of 2024.

ATTY. FERDINAND B. SABILLO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 53511
IBP Lifetime Member No. 012538
PTR No. 5415603 / 05 Jan. 2024 / Mandaluyong City
MCLE Compliance No. VII-0018781 issued on 25 May 2022
Notarial Commission Appointment No. 0314-23
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **Raul Juan N. Esteban**, Filipino, of legal age and a resident of **223B Alexandra Condominium, 29 Meralco Avenue, Ortigas Center, Pasig City**, after having been duly sworn to in accordance with law do hereby declare that:

1. I have been nominated for election as independent director of **VistaREIT, Inc.**

2. I am affiliated with the following companies or organizations:

Company/ Organization	Position/ Relationship	Period of Service
Philippine Survey and Research Center	Managing Director	1989-Present
COL Strategic Growth Equity Unitized Mutual Fund, Inc. (formerly COL Cash Management Unitized Mutual Fund, Inc.)	Independent Director	2019-Present
COL Equity Index Unitized Mutual Fund, Inc.	Independent Director	2019-Present
AllDay Marts, Inc.	Independent Director	2021-Present

3. I possess all the qualification and none of the disqualifications to serve as an Independent Director of **VistaREIT, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director, officer, or substantial shareholder of **VistaREIT, Inc.**

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of **VistaREIT, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done, this MAY 2 7 2024 at MANDALUYONG CITY.

RAUL JUAN N. ESTEBAN
Affiant

SUBSCRIBED AND SWORN to before me this MAY 2 7 2024 at MANDALUYONG CITY, affiant personally appeared before me and exhibited to me his Passport

Doc. No. 175
Page No. 36
Book No. XXIII
Series of 2024.

ATTY. FERDINAND B. SABILLO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 53511
IBP Lifetime Member No. 018538
PTR No. 5415603 / 05 Jan. 2024 / 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

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **Justina F. Callangan**, Filipino, of legal age and a resident of **Block 164, Lot 17 Castello Street, Casa Milan Subd., North Fairview, Quezon City**, after having been duly sworn to in accordance with law do hereby declare that:

1. I have been nominated for election as independent director of **VistaREIT, Inc.**

2. I am affiliated with the following companies or organizations:

Company/ Organization	Position/ Relationship	Period of Service
Vista Land & Lifescapes, Inc.	Independent Director	June 2021 to date
AIB Money Market Fund	Independent Director	July 2021 to date
Securities Investors Protection Fund, Inc.	Director	June 2020 to date
Panasonic Manufacturing Philippines Corporation	Independent Director	June 2020 to date
Orix Metro Leasing and Finance Corporation	Independent Director	June 2019 to date
Divina Law	Consultant	November 2018 to date
ASA Philippines Foundation, Inc.	Consultant	October 2018 to date

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **VistaREIT, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director, officer, or substantial shareholder of **VistaREIT, Inc.**

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of **VistaREIT, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done, this MAY 2 7 2024 at MANDALUYONG CITY.

JUSTINA F. CALLANGAN
Affiant

SUBSCRIBED AND SWORN to before me this MAY 2 7 2024 at MANDALUYONG CITY, affiant personally appeared before me and exhibited to me her

Doc. No. 176
Page No. 37
Book No. XXIII
Series of 2024.

ATTY. FERDINAND B. SABILLO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 53511
IBP Lifetime Member No. 018538
PTR No. 5413603 / 05 Jan. 2024 / Mandaluyong City
MCLE Compliance No. VII-0018701 issued dated 25 May 2022
Notarial Commission Appointment No. 0314-23
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS OF
VISTAREIT, INC.
(formerly VISTAONE, INC.)
Held by remote communication
on Wednesday, July 5, 2023, 10:00 a.m

DIRECTORS AND OFFICERS PRESENT IN THE MEETING

MANUEL PAOLO A. VILLAR	-	President and Chief Executive Officer, Vice Chairperson of the Board, Chairman of the Executive Committee, Member of the Board Risk Oversight Committee
JERYLLE LUZ C. QUISMUNDO	-	Chairperson of the Board, Member of the Executive Committee, Member of the Related Party Transaction Committee
BRIAN N. EDANG	-	Director, Member of the Executive Committee, Member of the Audit Committee
MELISSA CAMILLE Z. DOMINGO	-	Director, Treasurer, Chief Financial Officer and Head of Investor Relations, Member of the Executive Committee, Member of the Corporate Governance Committee
JUSTINA F. CALLANGAN	-	Independent Director, Chairperson of the Corporate Governance Committee, member of the Audit Committee
LETICIA A. MORENO	-	Independent Director, Chairperson of the Board Risk Oversight Committee, Chairperson of the Related Party Transaction Committee, Member of the Corporate Governance Committee
RAUL JUAN N. ESTEBAN	-	Independent Director, Chairman of the Audit Committee, Member of the Board Risk Oversight Committee; Member of the Related Party Transaction Committee
GEMMA M. SANTOS	-	Corporate Secretary
MARILYN S. OBLENA	-	Chief Audit Executive
MAYUMI MITZI L. ARAO	-	Data Protection Officer

SHARE INFORMATION

TOTAL ISSUED AND OUTSTANDING SHARES	-	7,500,000,000 common
TOTAL NUMBER OF SHARES REPRESENTED IN THIS MEETING	-	6,199,062,000 common

CALL TO ORDER

The Chairperson of the Board, Ms. Jerylle Luz C. Quismundo, called the meeting to order and presided over the same. The Corporate Secretary, Ms. Gemma M. Santos, recorded the minutes of the meeting.

CERTIFICATION OF NOTICE AND QUORUM

At the request of the Chairperson, the Corporate Secretary certified that notices of the meeting were published in print and online format in the Philippine Daily Inquirer and Business Mirror, both newspapers of general circulation, on June 13 and 14, 2023 and posted on the website of the Company and the Philippine Stock Exchange (PSE), all in accordance with the requirements of the Securities and Exchange Commission (SEC), that there were represented in the meeting stockholders owning a total of 6,199,062,000 common shares representing 82.65% of the total issued and outstanding voting stock of the Company, and that there is therefore a quorum at this meeting.

The Corporate Secretary explained that this meeting is being conducted through remote communication pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, and proceeded to discuss the rules and procedures for the conduct of this meeting.

APPROVAL OF THE MINUTES OF THE LAST ANNUAL STOCKHOLDERS' MEETING HELD ON SEPTEMBER 15, 2022

The Chairperson noted that the next item in the agenda is the approval of the minutes of the last Annual Meeting of Stockholders held on September 15, 2022, a copy of which minutes of meeting may be found in the Company's website, and a summary of which is contained in the Definitive Information Statement circulated prior to this meeting.

At the request of the Chairperson, the Corporate Secretary reported that shareholders owning 6,199,062,000 shares or 100% of the total voting shares represented in this meeting have voted in favor of the approval of this corporate action.

Accordingly, the Chairperson declared the minutes of the last Annual Meeting of Stockholders held on September 15, 2022 approved.

PRESIDENT'S REPORT/APPROVAL OF 2022 AUDITED FINANCIAL STATEMENTS

The President, Mr. Manuel Paolo A. Villar, reported the highlights of the Company's operations and financial performance, as follows:

> The Company's audited financial statements for the year ended December 31, 2022 reported revenues of P2.1 billion, with rental income of P1.96 billion. Cost and expenses amounted to P477 million. Resulting core net income of the Company was P1.6 billion. However, the Company, as required under accounting rules, reported a loss in the fair value of its investment properties amounting to P11.2 billion.
>
> In terms of the balance sheet, the Company recorded total assets of P28 billion, total liabilities of P1.4 billion and total equity of P26 billion.
>
> The Company's portfolio of ten community malls and two PEZA-registered office buildings proved resilient amidst the pandemic, with a current system-wide occupancy rate of 97%.
>
> The Company has declared and paid dividends amounting to P605 million, equivalent to 90.11% of its distributable income for the year ended December 31, 2022.

At the request of the Chairperson, the Corporate Secretary reported that shareholders owning 6,199,062,000 shares or 100% of total voting shares represented in this meeting have voted in favor of the noting of the President's Report and the approval of the Audited Financial Statements of the Company as of and for the year ended December 31, 2022.

Accordingly, the Chairperson declared the President's Report noted and the Audited Financial Statements of the Company as of and for the year ended December 31, 2022 approved.

RATIFICATION OF ACTS OF BOARD OF DIRECTORS AND MANAGEMENT

At the request of the Chairperson, the Corporate Secretary explained that Management is proposing the ratification of the acts of the Board of Directors and Management of the Company for the year 2022 until the day of this meeting, as set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the Securities and Exchange Commission and the Philippine Stock Exchange and as more particularly described in the Definitive Information Statement for this meeting.

The Corporate Secretary then reported that shareholders owning 6,199,062,000 shares or 100% of the total voting shares represented in this meeting have voted in favor of the approval of this corporate action.

Accordingly, the Chairperson declared the acts of the Board of Directors and Management of the Company for the year 2022 until July 5, 2023 ratified.

ELECTION OF DIRECTORS

At the request of the Chairperson, the Corporate Secretary reported that the following individuals have been nominated for election as directors of the Company:

Jerylle Luz C. Quismundo
Manuel Paolo A. Villar
Brian N. Edang
Melissa Camille Z Domingo
Justina F. Callangan
Leticia A. Moreno
Raul Juan N. Esteban

The Corporate Secretary identified Atty. Callangan, Ms. Moreno and Mr. Esteban as independent directors. She added that the Corporate Governance Committee of the Board has evaluated the nomination of these individuals and confirmed that they possess all the qualifications and have none of the disqualifications to be elected as directors of the Company, and that Atty. Callangan, Ms. Moreno and Mr. Esteban meet all the requirements for election as independent directors of the Company under the Securities Regulation Code and its Implementing Rules and Regulations.

The Corporate Secretary then reported that each of the seven nominees for election as director got a total of 6,199,062,000 votes.

Accordingly, the Chairperson declared the seven nominees named by the Corporate Secretary elected as directors of the Company for the year 2023 and until their successors have been duly elected and qualified.

APPOINTMENT OF EXTERNAL AUDITOR

The Corporate Secretary stated that the Audit Committee of the Board recommended, and Management is accordingly proposing to the stockholders, the re-appointment of SGV & Co. as external auditors of the Company for the year 2023.

The Corporate Secretary then reported that shareholders owning 6,199,062,000 shares or 100% of total voting shares represented in this meeting have voted in favor of the approval of this corporate action.

The Chairperson accordingly declared SGV & Co. reappointed as external auditors of the Company for the year 2023.

OTHER MATTERS

There were no other matters discussed during the meeting.

ADJOURNMENT

There being no further business to transact, the Chairperson declared the meeting adjourned.

GEMMA M. SANTOS
Corporate Secretary

ATTESTED BY:

JERYLLE LUZ C. QUISMUNDO
Chairperson

VISTAREIT

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		
Manuel Paolo A. Villar		
Melissa Camille Z. Domingo		

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.

ATTY. ARBIN OMAR P. CARIÑO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 57146
IBP Lifetime Member No. 018537
PTR No. 5415602 / 05 Jan. 2024 / 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

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

VISTAREIT

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN

The Management of **VISTAREIT, INC.** (herein referred to as "the Company") is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2023. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2023 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

a. the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
b. any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
c. the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

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		
Manuel Paolo A. Villar		
Melissa Camille Z. Domingo		

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. 77
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. 016537
PTR No. 5415002 / 05 Jan. 2024 / Mandaluyong City
MCLE Compliance No. VII-0020373 issued dated 03 June 2022
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	2	0	0	6	7	2	5

C O M P A N Y   N A M E

VISTAREIT, INC. (Formerly VISTA ONE, INC.)

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

LOWER GROUND FLOOR, BUILDING B, EVIA LIFESTYLE CENTER DAANGHARI, ALMANZA DOS, LAS PIÑAS CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	SEC	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
vistaoneinc@starmalls.com.ph	8994-4377	09998864216

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
5,641	5th of July	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Melissa Camille Z. Domingo	melissa_domingo@ vistaland.com.ph	3226-3552/ 8874-5758	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*

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

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.

SGV

Building a better working world

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

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.

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 ₱40,000,0000 divided into 40,000,000 shares with par value of ₱1.00 each to ₱2,000,000,0000 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.

<u>REIT Transaction</u>
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 ₱2,000,000,0000 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

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 though 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.

<u>Derecognition of Financial Assets and Financial Liabilities</u>
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 dated. 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 of 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.

<u>Equity</u>

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.

<u>Revenue Recognition</u>

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.

<u>Rental Income</u>

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.

<u>Interest income</u>
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.

<u>Parking Fees and Other Operating Income</u>
Parking fees and other operating income are recognized when earned.

<u>Cost and Expenses</u>
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.

<u>Income Taxes</u>
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-fee 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.

<u>Management's Use of Estimates</u>
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 ₱690.81million 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				
	Date of valuation	**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant offer observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Investment properties	**December 31, 2023**	**₱25,457,137,020**	**₱–**	**₱–**	**₱25,457,137,020**

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets for identical assets (Level 1)	Significant offer observable inputs (Level 2)	Significant unobservable inputs (Level 3)
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 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 Note15).

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**
Receivables from tenants and accrued rental receivables (Note 9)					
Sponsor Entities	**a) Rental of office spaces**	**(₱341,357)**	**₱1,178,887**	**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**
			₱2,775,757,665		
Receivables from related parties					
Sponsor Entities	**b) Advances and land lease**	**(₱96,336,647)**	**₱353,023,078**	**Due and demandable; noninterest-bearing**	**Unsecured; no impairment**
	b) Dividend	**(763,021,684)**	**–**	**Due and demandable; noninterest-bearing**	**Unsecured; no impairment**
Entities under common control	**b) Advances**	**89,501,200**	**92,126,146**	**Due and demandable; noninterest-bearing**	**Unsecured; no impairment**
			445,149,224		
Payable to related parties					
Parent company	**b) Advances**	**(₱1,470)**	**(₱179,336,622)**	**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**
			(₱270,017,388)		

2022

	Nature of Transaction	Volume	Receivable (Payable)	Terms	Conditions
Receivables from tenants and accrued rental receivables (Note 9)					
Sponsor Entities	a) Rental of office spaces	(₱1,179,739)	₱1,520,244	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
			₱1,201,759,840		
Receivables from related parties					
Entities under common control	b) Advances	₱1,176,934,525	₱1,176,934,525	Due and demandable; noninterest-bearing	Unsecured; no impairment
Payable to related parties					
VLLI	b) Advances	(₱174,752,881)	(₱179,335,152)	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	–		
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
			(₱274,608,184)		
Dividends payable					
Sponsor entities	d) Dividend	(₱277,447,741)	(₱175,011,310)	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 ₱1,679.12 million and ₱2,774.58 million, respectively, as of December 31, 2023, and ₱1,458.45 million and ₱1,200.24 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.

	December 31, 2023		
Dividend Offsetting	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 cyclicality 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					
	High Grade	**Standard**	**Substandard Grade**	**Past due but not Impaired**	**Impaired**	**Total**
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					
	High Grade	Standard	Substandard Grade	Past due but not Impaired	Impaired	Total
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

		Past due but not impaired					
	Current	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**Over 90 days**	**Impaired**	**Total**
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

		Past due but not impaired					
	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Impaired	Total
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				
	On Demand	**1 to 3 Months**	**3 to 12 Months**	**More than 1 year**	**Total**
Financial Liabilities					
Financial liabilities at amortized cost					
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				
	On Demand	1 to 3 Months	3 to 12 Months	More than 1 year	Total
Financial Liabilities					
Financial liabilities at amortized cost					
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	
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	₱–	₱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:

a) In 2023, unpaid additions to Property and equipment and Investment properties amounting to ₱0.57 million and ₱31.22 million, respectively.
b) In 2023, increase in fair value of investment properties amounting to ₱539.54 million.
c) 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
d) 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.
e) 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.

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

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
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

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

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

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

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

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

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

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	Current assets / Current liabilities	**1.98**	1.64
Acid test ratio	Quick asset[1] / Current liabilities	**1.95**	1.54
Solvency ratio	Net income + Depreciation / Total liabilities	**1.69**	–
Debt ratio	Interest bearing debt / Total assets	–	–
Asset to equity ratio	Total assets / Total equity	**1.05**	1.05
Interest service coverage ratio	EBITDA[2] / Total interest paid	–	–
Return on equity	Net income / Total equity	**0.09**	(0.37)
Return on assets	Net income / Average total assets[3]	**1.03**	(0.69)
Net profit margin	Net income / Net revenue	**0.96**	(4.58)

[1]*Includes cash in banks, current portion of receivables and receivable from related parties*
[2]*Earnings before provision for income tax and depreciation*
[3]*Average 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	–	(1,180,500,000)
Unappropriated Retained Earnings, as adjusted		(38,108,644)
Add/Less: Net Income (loss) for the current year		2,526,481,443
Less: Category C.l: 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		(1,089,899,082)
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		–

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.

SCHEDULE B

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

VISTAREIT, INC. (Formerly Vista One, Inc.)
SUPPLEMENTARY SCHEDULE OF CONTRIBUTED CAPITAL
DECEMBER 31, 2023

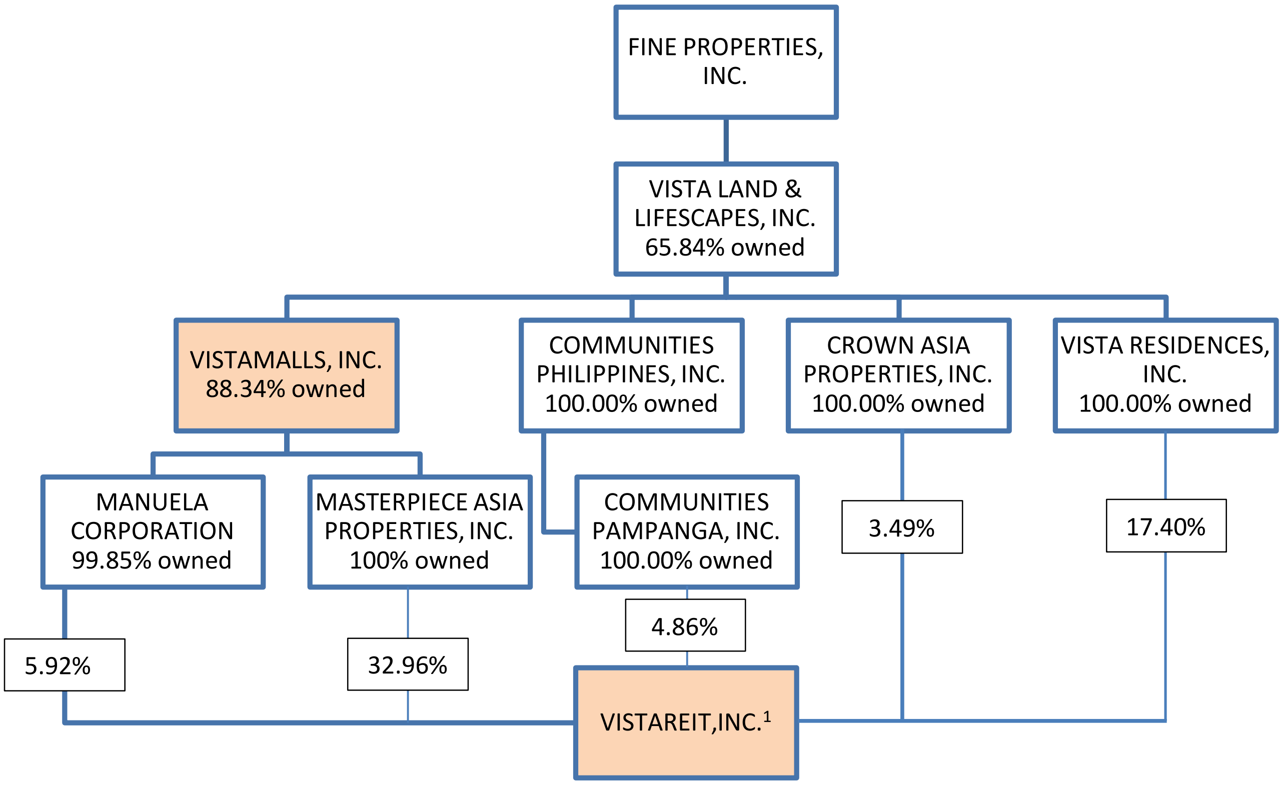
Contributed Capital

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 shared held by related parties	Directors, officers and employees	Others
Common stock, ₱1 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



[1]*Remaining 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

C	S	2	0	2	0	0	6	7	2	5

S.E.C. Registration Number

V I S T A R E I T , I N C .

(Company's Full Name)

LOWER GROUND FLOOR, BUILDING B, EVIA LIFESTYLE CENTER, VISTA CITY, DAANGHARI, ALMANZA II LAS PIÑAS CITY

(Business Address : No. Street/City/Province)

Melissa Camille Z. Domingo	**8994-4377**
Contact Person	Company Telephone Number

1 2	**3 1**	**17-Q**	**0 7**	**0 5**
Month	*Day*	FORM TYPE	*Month*	*Day*
Calendar Year			Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(B) THEREUNDER

1. For the quarter ended **March 31, 2024**

2. SEC Identification Number **CS202006725**

3. BIR Tax Identification No. **010-510-144**

4. **VISTAREIT, INC.**
   Exact name of the registrant as specified in its charter

5. **Metro Manila, Philippines**
   Province, country or other jurisdiction of incorporation

6. Industry Classification Code (SEC Use Only)

7. **Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daanghari, Almanza Dos, Las Piñas City** **1750**
   Address of Principal Office Postal Code

8. **(02) 8994-4377**
   Registrant'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 of the registrant's securities listed on the Philippine Stock Exchange?
    Yes [x] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:
    Philippine Stock Exchange – Common Shares

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code and SRC Rule 17 thereunder, and Section 25 and 177 of the Revised Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period of the registrant was required to file such reports.)

Yes [x] No [ ]

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

Yes [x] No [ ]

TABLE OF CONTENTS

VISTAREIT, INC.
STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2024 AND DECEMBER 31, 2023
(In Thousand Pesos)

	Unaudited 03/31/2024	Audited 12/31/2023
ASSETS		
Current Assets		
Cash (Note 6)	**71,019**	30,162
Receivables (Note 7)	**2,060,969**	1,933,116
Due from related parties	**177,933**	445,149
Other current assets (Note 9)	**54,802**	35,828
Total Current Assets	**2,364,723**	2,444,255
Noncurrent Assets		
Receivables – net of current portion (Note 7)	**1,196,624**	967,782
Property and equipment	**10,162**	12,146
Investment properties (Note 8)	**25,340,374**	25,457,137
Other noncurrent assets (Note 9)	**106,072**	114,396
Total Noncurrent Assets	**26,653,232**	26,551,461
	29,017,955	28,995,716
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 10)	**522,263**	474,542
Security deposits and advance rent (Note 11)	**384,584**	385,062
Payable to related parties	**–**	270,017
Dividends payable	**11**	103,572
Total Current Liabilities	**936,858**	1,233,193
Noncurrent Liabilities		
Other noncurrent liabilities (Note 11)	**268,700**	260,048
Total Noncurrent Liabilities	**268,700**	260,048
Total Liabilities	**1,205,558**	1,493,241
EQUITY (Note 12)		
Capital Stock	**7,500,000**	7,500,000
Additional paid-in capital	**28,720,894**	28,720,894
Retained earnings	**(8,408,497)**	(8,718,419)
Total Equity	**27,812,397**	27,502,475
	29,017,955	28,995,716

VISTAREIT, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(In Thousands Pesos)

	Unaudited Jan-Mar Q1 – 2024	**Unaudited Jan-Mar 2024**	Unaudited Jan-Mar Q1 - 2023	Unaudited Jan-Mar 2023
REVENUES				
Rental Income	**531,337**	**531,337**	804,722	804,722
Parking Fees	**11,222**	**11,222**	9,902	9,902
Other Operating Income	**17,972**	**17,972**	32,387	32,387
	560,531	**560,531**	847,011	847,011
FAIR VALUE CHANGES IN INVESTMENT PROPERTIES				
Decrease in fair value of investment properties	**–**	**–**	–	–
Straight-line adjustments	**(116,763)**	**(116,763)**	(418,786)	(418,786)
Lease commissions	**(606)**	**(606)**	–	–
	(117,369)	**(117,369)**	(418,786)	(418,786)
COSTS AND EXPENSES				
General and administrative expenses (Note 13)	**128,173**	**128,173**	122,207	122,207
Marketing expense	**214**	**214**	9,349	9,349
Other operating and administrative	**5,832**	**5,832**	1,794	1,794
	134,219	**134,219**	133,350	133,350
OPERATING PROFIT	**308,943**	**308,943**	294,875	294,875
OTHER INCOME (CHARGES)				
Interest income	**1,025**	**1,025**	256	256
Interest expense and other financing charges	**(45)**	**(45)**	(522)	(522)
	980	**980**	(266)	(266)
INCOME BEFORE INCOME TAX	**309,923**	**309,923**	294,609	294,609
PROVISION FOR INCOME TAX	**1**	**1**	2	2
NET INCOME	**309,922**	**309,922**	294,607	294,607
Weighted outstanding common shares	**7,500,000**	**7,500,000**	7,500,000	7,500,000
Basic / Diluted Earnings per share (Note 14)	**0.0413**	**0.0413**	0.0393	0.0393

VISTAREIT, INC.
STATEMENT OF CHANGES IN EQUITY
AS OF MARCH 31, 2024 AND DECEMBER 31, 2023
(In Thousand Pesos)

	Unaudited Jan – Mar 2024	Audited 12/31/2023	Unaudited Jan – Mar 2023
CAPITAL STOCK			
COMMON STOCK			
Balance at beginning of period	**7,500,000**	7,500,000	7,500,000
Issuance during the period/year	–	–	–
Treasury shares	–	–	–
Balance at end of period	**7,500,000**	7,500,000	7,500,000
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning of period	**28,720,894**	28,720,894	28,720,894
Issuance during the period/year	–	–	–
Share issuance costs	–	–	–
Balance at end of period	**28,720,894**	28,720,894	28,720,894
RETAINED EARNINGS			
Balance at beginning of period	**(8,718,419)**	(10,057,156)	(10,057,156)
Net income / (loss)	**309,922**	2,519,237	294,607
Dividend declared	**–**	(1,180,500)	–
Balance at end of period	**(8,408,497)**	(8,718,419)	(9,762,549)
TOTAL EQUITY	**27,812,397**	27,502,475	26,458,345

VISTAREIT, INC.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(In Thousand Pesos)

	Unaudited Jan-Mar Q1 - 2024	**Unaudited Jan-Mar 2024**	Unaudited Jan-Mar Q1 – 2023	Unaudited Jan-Mar 2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	**309,923**	**309,923**	294,609	294,609
Adjustments for:				
Depreciation and amortization	**1,983**	**1,983**	2,640	2,640
Finance costs	**45**	**45**	522	522
Fair value change in investment properties	–	–	–	–
Interest income	**(1,025)**	**(1,025)**	(256)	(256)
Deferred tax	**–**	**–**	–	–
Operating income before changes in operating assets and liabilities	**310,926**	**310,926**	297,515	297,515
Decrease (Increase) in:				
Receivables	**(239,933)**	**(239,933)**	(510,350)	(510,350)
Other current assets	**(10,649)**	**(10,649)**	3,616	3,616
Increase (Decrease) in:				
Accounts and other payables	**77,721**	**77,721**	42,716	42,716
Security deposits and advance rent	**8,174**	**8,174**	(88,567)	(88,567)
Other noncurrent liabilities	**–**	**–**	890	890
Cash from operations	**146,239**	**146,239**	(254,180)	(254,180)
Payment of taxes	**(1)**	**(1)**	(2)	(2)
Net Cash provided by/(used in) Operating Activities	**146,238**	**146,238**	(254,182)	(254,182)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	**1,025**	**1,025**	256	256
Decrease in investment properties and property and equipment	**–**	**–**	416,889	416,889
Net Cash provided by Investing Activities	**1,025**	**1,025**	417,145	417,145
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	**(45)**	**(45)**	(522)	(522)
Increase (Decrease) in payables to related parties	**(2,801)**	**(2,801)**	15,006	15,006
Payments on dividends	**(103,561)**	**(103,561)**	(175,001)	(175,001)
Net Cash used in Financing Activities	**(106,407)**	**(106,407)**	(160,517)	(160,517)
NET INCREASE IN CASH	**40,857**	**40,857**	2,446	2,446
CASH AT BEGINNING OF PERIOD	**30,162**	**30,162**	88,957	88,957
CASH AT END OF PERIOD	**71,019**	**71,019**	91,403	91,403

VISTAREIT, INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

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 March 31, 2024, 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.

2. BASIS OF PREPARATION

The accompanying financial statements of the Company have been prepared on a historical cost basis. The financial statements are presented in Philippine Peso (₱) which is the functional and presentation currency of the Company, and all amounts are rounded to the nearest Philippine Peso unless otherwise indicated.

The financial statements provide comparative information in respect of the previous period. While there are recent signs of increased market activity with the easing of quarantine measures in key areas in the Philippines, management believes that the impact of COVID-19 situation remains fluid and evolving and the pace of recovery remains uncertain.

Statement of Compliance

The financial statements of the Company have been prepared in compliance 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 2022. 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.

- 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 SIGNIFICANT ACCOUNTING POLICIES

Current and Noncurrent Classification
The Company presents assets and liabilities in statement of financial position based on current/noncurrent classification.

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

All other assets are classified as noncurrent.

A liability is current when:

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

The Company classifies all other liabilities as noncurrent.

Deferred liabilities are classified as noncurrent liabilities.

<u>Fair Value Measurement</u>
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.

<u>Cash</u>
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 though 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 lease receivables. 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.

Value-Added Tax

Input tax represents the VAT due or paid on purchases of goods and services subjected to VAT that the Company can claim against any future liability to the BIR for output VAT on sale of goods and services subjected to VAT. The input tax can also be recovered as tax credit under certain circumstances against future income tax liability of the Company upon approval of the BIR and/or Bureau of Customs. Input tax is stated at its estimated net realizable values. A valuation allowance is provided for any portion of the input tax that cannot be claimed against output tax or recovered as tax credit against future income tax liability. Input tax is recorded under current assets in the statements of financial position.

For its VAT-registered activities, when VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position up to the extent of the recoverable amount.

For its non-VAT registered activities, the amount of VAT passed on from its purchases of goods or service is recognized as part of the cost of goods/asset acquired or as part of the expense item, as applicable.

Prepaid Expenses

Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for marketing fees, taxes and licenses, rentals and insurance.

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 dated. 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 of 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 "Additional paid-in capital" account. Direct costs incurred related to equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings. 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-fee incentive and no deferred taxes have been recognized on temporary differences.

<u>Leases</u>
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 March 31, 2024 and December 31, 2023, the Company has no potential dilutive common shares.

Segment Reporting
The Company's lease operation is its reportable segment.

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. SIGNIFICANT ACCOUNTING JUDGEMENTS 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 the 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.

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 not recognized any allowance on its financial assets.

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.

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 bank:

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, short-term cash investments and restricted cash. 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 given the expected continuing recovery from the COVID-19 pandemic. 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.

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, considering the expected continuing recovery from the impact of COVID-19 pandemic.

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.

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.

Useful lives of property and equipment and investment properties
The Company estimated the useful lives of its property and equipment and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives of are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. For investment properties located in parcels of land that the Company leases, the Company also considers the non-cancellable term of the lease in determining the useful lives of the leasehold improvements.

6. CASH

This account consists of:

	March 31, 2024
Cash on hand	**₱131**
Cash in banks	**70,888**
	₱71,019

Cash in banks earns interest at the prevailing bank deposit rates. Interest rate ranges from 0.06% to 0.13% in March 31, 2024.

Interest earned from cash in banks for the period ended March 31, 2024 amounted to ₱0.004 million.

7. RECEIVABLES

The balance of this account is composed of the following as of March 31, 2024:

Accounts receivable from tenants	**₱ 2,015,746**
Accrued rent receivables	**1,196,624**
Advances to contractors	**40,568**
Other receivables	**4,655**
	3,257,593
Less noncurrent portion	**1,196,624**
	₱ 2,060,969

Accounts receivables 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 three-month rental and three-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.

8. INVESTMENT PROPERTIES

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.

Rental income earned from investment properties, including straight-line adjustments, amounted to ₱531.34 million in March 31, 2024. Repairs and maintenance costs and costs of property operations arising from the investment properties amounted to ₱134.22 million in March 31, 2024.

The composition of this account is shown below.

Building and improvements	**₱ 25,245,726**
Construction In Progress	**94,648**
	₱ 25,340,374

The estimated useful life of the investment properties is 10 to 40 years.

9. OTHER ASSETS

This account is composed of the following as of March 31, 2024:

Refundable deposits	**₱ 106,072**
Prepaid expenses	**30,388**
Creditable withholding tax (CWT)	**12,071**
Input value-added tax (VAT)	**9,607**
Other assets	**2,736**
	160,874
Less noncurrent portion of refundable deposits	**106,072**
	₱54,802

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.

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.

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.

Others include accrued interest receivable, penalties receivable from tenants due to late payments, security deposits, advance rentals and office supplies.

10. ACCOUNTS AND OTHER PAYABLES

This account consists of:

Accounts payable	
Supplier	**₱ 251,832**
Contractors	**142,689**
Deferred output vat	**104,348**
Accrued expenses	**44,858**
Retention payable	**7,618**
Other payable	**918**
	₱ 552,263

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
Accrued expenses represent the accrual for agency services, janitorial services, repairs and maintenance, utilities, security services, rental, salaries and employee benefits, professional fees and other administrative expenses as well as marketing and advertising expenses, which are expected to be settled within 12 months after the end of the reporting period.

Current portion of 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

Security deposits and advance rent consists of:

	March 31, 2024
Security deposits	**₱380,823**
Advance rent	**268,700**
	649,523
Less: noncurrent portion	**268,700**
	₱380,823

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 for those contracts with end date within one year from balance sheet 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 2 to 4-month 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. Current portion are those to be applied within one year from financial reporting date.

12. EQUITY

Capital Stock

The details of the Company's capital stock as at March 31, 2024 follow:

Common	
Authorized shares	15,000,000,000
Par value per share	₱1.00
Issued and outstanding shares	7,500,000,000
Value of shares issued	₱7,500,000,000

Registration Track Record

VREIT, the reporting entity, has an authorized capital stock of 15,000,000,000 shares with par value of ₱1.00 per share as of March 31, 2024.

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 at its par value of ₱1.00 per share (see Note 1).

As of December 31, 2021, the Company's authorized capital stock comprises 2,000,000,000 common shares at ₱1 par value per share. Accordingly, in 2021, the related subscriptions of ₱510.00 million were issued with 510,000,000 common shares at its par value of ₱1.00 per share.

On June 15, 2022, the Company offered and sold to the public its 2,500,000,000 secondary common shares with an Overallotment Option of up to 250,000,000 secondary common shares at ₱1.75 per share. The shares are listed and traded on the Main Board of PSE under the trading symbol "VREIT".

Retained Earnings

In accordance with Revised Securities Regulation Code Rule 68, the Company's retained earnings available for dividend declaration as at March 31, 2024, after reconciling items, amounted to ₱309.92 million.

As at March 31, 2024, the Company has ₱.011 million unpaid dividends.

Distributable Income

The computation of the distributable income of the Company as at March 31, 2024 is shown below:

Net Income	**₱309,922**
Add: Fair value change in investment properties	**117,369**
Less: Straight-line adjustments	**(116,763)**
Lease commissions	**(606)**
Distributable Income	**₱309,922**

13. GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of:

Outside services	**₱ 30,262**
Repairs and maintenance	**27,406**
Rentals	**20,596**
Taxes and licenses	**17,694**
Light and power	**12,212**
Management fees	**8,655**
Insurance	**6,619**
Professional fees	**2,422**
Depreciation	**1,984**
Representation and entertainment	**323**
	₱ 128,173

14. EARNINGS PER SHARE

Earnings per share were computed as follows:

Net income	**₱ 309,922**
Divided by weighted outstanding common Shares	**7,500,000**
	₱ 0.0413

Diluted earnings per share was not determined since the Company does not have potential dilutive shares as of March 31, 2024.

15. OTHER MATTERS AND SUBSEQUENT EVENTS

Dividend Declaration

On May 20, 2024, the BOD of the Company approved the declaration of regular cash dividends for the first quarter of 2024 amounting to ₱309.90 million or ₱0.04132 per share. The dividend declarations are in favor of all stockholders of record as of June 05, 2024 and payable on June 27, 2024.

Financial Soundness Indicator

Below are the financial ratios that are relevant to the Company for the period ended March 31, 2024 and December 31, 2023.

		Unaudited March 31, 2024	Audited December 31, 2023
Current ratio	Current assets / Current liabilities	**2.52**	1.98
Acid test ratio	Quick asset[1] / Current liabilities	**0.076**	1.95
Solvency ratio	Net income + Depreciation / Total liabilities	**0.259**	1.69
Debt ratio	Interest bearing debt / Total assets	**–**	–
Asset to equity ratio	Total assets / Total equity	**1.043**	1.05
Interest service coverage ratio	EBITDA[2] / Total interest paid	**–**	–
Return on equity	Net income[4] / Total equity	**0.04**	0.09
Return on assets	Net income[4] / Average total assets[3]	**0.04**	1.03
Net profit margin	Net income / Net revenue	**0.55**	0.96

[1]*Includes Cash in Bank only*
[2]*Earnings before provision for income tax*
[3]*Average of total assets as at current year and preceding year*
[4]*Annualized*

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations covering three months ended March 31, 2024 vs. three months ended March 31, 2023

Revenues

Revenues decreased to ₱560.5 million for the three months ended March 31, 2024 from ₱847.0 million for the three months ended March 31, 2023. The 33.8% decrease in the account was primarily attributable to the recognition of higher straight-line adjustment as at March 31, 2023 as well as the following:

- Rental income decreased by 34.0% from ₱804.7 million for the three months ended March 31, 2023 to ₱531.3 million for the three months ended March 31, 2024. The decrease was due to recognition of higher straight-line adjustment on the prior period. As of March 31, 2024, the occupancy rate is at 97%.

- Parking fees increased by 13.3% to ₱11.2 million for the three months ended March 31, 2024 from ₱9.9 million for the three months ended March 31, 2023 primarily driven by the increase in numbers of vehicles parked in the malls.

- Other operating income decreased from ₱32.4 million for the three months ended March 31, 2023 to ₱18.0 million for the three months ended March 31, 2024. The 44.5% decrease was due to the decrease in administrative fees and other fees charged to tenants.

Fair value changes in investment properties

Fair value changes in investment properties recorded a loss ₱117.4 million for the three months ended March 31, 2024 from a loss of ₱418.8 million for the three months ended March 31, 2023 attributable to:

- Straight line adjustments decreased by 72.1% to ₱116.8 million for the three months ended March 31, 2024 from ₱418.8 million for the three months ended March 31, 2023 due to normalized recognition of rental income of lease contracts on a straight line basis for the period.

Costs and Expenses

Cost and expenses decreased from ₱133.4 million for the three months ended March 31, 2023 to ₱134.2 million for the three months ended March 31, 2024. The 0.7% decrease in the account was primarily attributable to the following:

- General and administrative expenses increased by 4.9% to ₱128.2 million for the three months ended March 31, 2024 from ₱122.2 million for the three months ended March 31, 2023 due to the increases in repairs and maintenance and rentals and condominium dues.

- Marketing expenses decreased by 97.7% to ₱0.2 million for the three months ended March 31, 2024 from ₱9.3 million for the three months ended March 31, 2023 due to cost rationalization.

- Other operating expenses increased by 225.1% to ₱5.8 million for the three months ended March 31, 2024 from ₱1.8 million for the three months ended March 31, 2023 due to the decrease in miscellaneous expenses and office supplies used for the period.

Other Income

Interest income increased from ₱0.26 million for the three months ended March 31, 2023 to ₱1.03 million for the three months ended March 31, 2024. The 301.0% increase resulted from the interest earned from the increase in cash in banks of the company for the period.

Income before income tax

As a result of the foregoing, income before income tax increased by 5.2% to ₱309.9 million in the three months ended March 31, 2024 from ₱294.6 million in the three months ended March 31, 2023.

Provision for income tax

Tax expense for the three months ended March 31, 2024 was ₱0.001 million, a decrease of 65.7% from ₱0.002 million for the three months ended March 31, 2023. This was due primarily to the REIT Law granting the Company an exemption on the tax.

Net Income

As a result of the foregoing, net income increased by 5.2% to ₱309.9 million in the three months ended March 31, 2024 from ₱294.6 million in the three months ended March 31, 2023.

For the three months ended, except as discussed in the notes to financial statements Events after the report date on the potential impact of the COVID-19 pandemic, 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 March 31, 2024 vs. December 31, 2023

Total assets as of March 31, 2024 are ₱29,017.96 million compared to ₱28,995.72 million as of December 31, 2023, or a 0.1% increase. This was due to the following:

- Cash increased by 135.5% from ₱30.16 million as of December 31, 2023 to ₱71.0 million as of March 31, 2024 due to cash flow from the operations and investing activity for the period.

- Receivables increased by 12.3% from ₱2,900.90 million as of December 31, 2023 to ₱3,257.6 million as of March 31, 2024 due to the increase in receivables from tenants.

- Due from related parties decreased by 60.0% from ₱445.15 million as of December 31, 2023 to ₱177.93 million as of March 31, 2024 due to the settlement for the period.

- Other assets increased by 7.1% from ₱150.22 million as of December 31, 2023 to ₱160.87 million as of March 31, 2024 due to the increase in input vat and prepaid expenses.

- Property and equipment decreased by 16.3% from ₱12.15 million as of December 31, 2023 to ₱10.16 million as of March 31, 2024 due to the depreciation of properties and equipment.

- Investment Properties decreased by 0.5% from ₱25,457.14 million as of December 31, 2023 to ₱25,340.37 million as of March 31, 2024 due to the change in fair value of the investment properties particularly from the straight-line adjustment.

Total liabilities as of March 31, 2024 are ₱1,205.56 million compared to ₱1,493.24 million as of December 31, 2023, or a 19.3% decrease. This was due to the following:

- Accounts and other payables increased by 16.4% from ₱474.54 million as of December 31, 2023 to ₱552.26 million as of March 31, 2024 due to the increase in payable to suppliers of the commercial malls and withholding tax payable.

- Security deposits and advance rent including noncurrent portion increased by 1.3% from ₱645.11 million as of December 31, 2023 to ₱653.28 million as of March 31, 2024 due to the application of security deposits and advance rent of the tenants.

- Payable to related parties decreased by 100.0% from ₱270.02 million as of December 31, 2023 to nil as of March 31, 2024 due to the settlement for the period.

- Dividends payable decreased by 100.0% from ₱103.57 million as of December 31, 2023 to ₱0.011 million as of March 31, 2024 due to the dividends paid to the shareholders.

Total stockholder's equity increased by 1.1% from ₱27,502.47 million as of December 31, 2023 to ₱27,812.40 million as of March 31, 2024 due to the income earned for the period.

Top Five (5) Key Performance Indicators
Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	03/31/2024	12/31/2023
Current ratio [(a)]	2.52:1	1.98:1
Debt ratio [(b)]	0.00:1	0.00:1

Key Performance Indicators	03/31/2024	03/31/2023
Return on equity [(c)]	4.46%	4.45%
Net Profit Margin [(d)]	55%	35%
EBITDA [(e)]	311,951.49	297,771.52

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 March 31, 2024 increased from that of December 31, 2023 due to the decrease in current liabilities.

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

Net Profit Margin increased due to the higher revenue and lower costs and expenses for the prior year.

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

Material Changes to the Company's Balance Sheet as of March 31, 2024 compared to December 31, 2023 (increase/decrease of 5% or more)

Cash increased by 135.5% from ₱30.16 million as of December 31, 2023 to ₱71.0 million as of March 31, 2024 due to cash flow from the operations and investing activity for the period.

Receivables increased by 12.3% from ₱2,900.90 million as of December 31, 2023 to ₱3,257.6 million as of March 31, 2024 due to the increase in receivables from tenants.

Due from related parties decreased by 60.0% from ₱445.15 million as of December 31, 2023 to ₱177.93 million as of March 31, 2024 due to the settlement for the period.

Other assets increased by 7.1% from ₱150.22 million as of December 31, 2023 to ₱160.87 million as of March 31, 2024 due to the increase in input vat and prepaid expenses.

Property and equipment decreased by 16.3% from ₱12.15 million as of December 31, 2023 to ₱10.16 million as of March 31, 2024 due to the depreciation of properties and equipment.

Accounts and other payables increased by 16.4% from ₱474.54 million as of December 31, 2023 to ₱552.26 million as of March 31, 2024 due to the increase in payable to suppliers of the commercial malls and withholding tax payable.

Payable to related parties decreased by 100.0% from ₱270.02 million as of December 31, 2023 to nil as of March 31, 2024 due to the settlement for the period.

Dividends payable decreased by 100.0% from ₱103.57 million as of December 31, 2023 to ₱0.011 million as of March 31, 2024 due to the dividends paid to the shareholders.

Material Changes to the Company's Statement of income for the period ended March 31, 2024 compared to the period ended March 31, 2023 (increase/decrease of 5% or more)

Rental income decreased by 34.0% from ₱804.7 million for the three months ended March 31, 2023 to ₱531.3 million for the three months ended March 31, 2024. The decrease was due to recognition of higher straight-line adjustment on the prior period. As of March 31, 2024, the occupancy rate is at 97%.

Parking fees increased by 13.3% to ₱11.2 million for the three months ended March 31, 2024 from ₱9.9 million for the three months ended March 31, 2023 primarily driven by the increase in numbers of vehicles parked in the malls.

Other operating income decreased from ₱32.4 million for the three months ended March 31, 2023 to ₱18.0 million for the three months ended March 31, 2024. The 44.5% decrease was due to the decrease in administrative fees and other fees charged to tenants.

Straight line adjustments decreased by 72.1% to ₱116.8 million for the three months ended March 31, 2024 from ₱418.8 million for the three months ended March 31, 2023 due to normalized recognition of rental income of lease contracts on a straight line basis for the period.

General and administrative expenses increased by 4.9% to ₱128.2 million for the three months ended March 31, 2024 from ₱122.2 million for the three months ended March 31, 2023 due to the increases in repairs and maintenance and rentals and condominium dues.

Marketing expenses decreased by 97.7% to ₱0.2 million for the three months ended March 31, 2024 from ₱9.3 million for the three months ended March 31, 2023 due to cost rationalization.

Other operating expenses increased by 225.1% to ₱5.8 million for the three months ended March 31, 2024 from ₱1.8 million for the three months ended March 31, 2023 due to the decrease in miscellaneous expenses and office supplies used for the period.

Interest income increased from ₱0.26 million for the three months ended March 31, 2023 to ₱1.03 million for the three months ended March 31, 2024. The 301.0% increase resulted from the interest earned from the increase in cash in banks of the company for the period.

Tax expense for the three months ended March 31, 2024 was ₱0.001 million, a decrease of 65.7% from ₱0.002 million for the three months ended March 31, 2023. This was due primarily to the REIT Law granting the Company an exemption on the tax.

For the period ended March 31, 2024, 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.

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.

There are no material commitments for capital expenditures.

Except for the recovery as a result of the opening up of the economy, there are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

COMMITMENTS AND CONTINGENCIES

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

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing the Company's liquidity in any material way. The Company sourced its capital requirements through internally generated cash.

The Company does not expect any material cash requirements beyond the normal course of the business. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation except for those items disclosed in the 3-months of 2024 Financial Statements.

There are no material off-balance sheet transactions, arrangements, obligation (including contingent obligations), or other relationships of the Company with unconsolidated entities or other persons created during the reporting period except those disclosed in the 3-months of 2024 Financial Statements.

There are no material commitments for capital expenditures, events or uncertainties that have had or that are reasonably expected to have a material impact on the continuing operations of the Company.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. There are no explanatory comments on the seasonality of the operations. There are no material events subsequent to the end of the fiscal period that have not been reflected in the financial statements.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature; neither are there changes in estimates of amounts reported in a prior period of the current financial year.

PART II - OTHER INFORMATION

Item 3. 3-months of 2024 Developments

A. New Projects or Investments in another line of business or corporation.

None.

B. Composition of Board of Directors

Jerylle Luz C. Quismundo	Chairman of the Board
Manuel Paolo A. Villar	Director and President
Melissa Camille Z. Domingo	Director, CFO & Head of Investor Relations
Brian N. Edang	Director
Justina F. Callangan	Independent Director
Leticia A. Moreno	Independent Director
Raul Juan N. Esteban	Independent Director

C. Performance of the corporation or result/progress of operations.

Please see unaudited Financial Statements and Management's Discussion and Analysis.

D. Declaration of Dividends.

None.

E. Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements.

None.

F. Offering of rights, granting of Stock Options and corresponding plans therefore.

None.

G. Acquisition of additional mining claims or other capital assets or patents, formula, real estate.

None.

H. Other information, material events or happenings that may have affected or may affect market price of security.

None

I. Transferring of assets, except in normal course of business.

None, except for the discussion in Note 1.

<u>Item 4. Other Notes as of the 3-months of 2024 Operations and Financials.</u>

A. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.

None.

B. Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period.

There were no changes in estimates of amounts reported in prior interim period or prior financial years that have a material effect in the current interim period.

C. New financing through loans/ issuances, repurchases and repayments of debt and equity securities.

See Notes to Financial Statements and Management Discussion and Analysis.

D. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

None.

E. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings, and discontinuing operations.

None.

F. Changes in contingent liabilities or contingent assets since the last annual balance sheet date.

None.

G. Existence of material contingencies and other material events or transactions during the interim period.

None.

H. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

None.

I. 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.

None.

J. Material commitments for capital expenditures, general purpose and expected sources of funds.

None.

K. Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/income from continuing operations.

As of March 31, 2024, no known trends, events or uncertainties that are reasonably expected to have impact on sales/revenues/income from continuing operations except for those being disclosed in the first three months of 2024 financial statements.

L. Significant elements of income or loss that did not arise from continuing operations.

None.

M. Causes for any material change/s from period to period in one or more line items of the financial statements

None.

N. Seasonal aspects that had material effect on the financial condition or results of operations

None.

O. Disclosures not made under SEC Form 17-C.

None.

VistaREIT, Inc.
Aging of Accounts Receivable
March 31, 2024

Types of Receivables	**Total**	**Current/ Not Yet Due**	**Past Due but not Impaired**					**Individually Impaired**
			< 30 days	**30-60 days**	**61-90 days**	**91-120 days**	**> 120 days**	
Account Receivable from Tenants	2,015,745,914	433,410,622	237,528,248	-	1,280,622,964	64,184,080	-	-
Accrued Rent Receivable	1,196,624,134	1,196,624,134	-	-	-	-	-	-
Due from related parties	177,933,335	-	-	-	-	-	177,933,335	-
Other Receivables	45,223,186	-	-	45,223,186	-	-	-	-
TOTAL	3,435,526,569	1,630,034,756	237,528,248	45,223,186	1,280,622,964	64,184,080	177,933,335	-
	-							

<u>Disclosure for REIT Companies[1]</u>

(a) Real Estate Transactions for the First Quarter of 2024

The Company did not enter into any real estate transaction during the first quarter of 2024.

(b) Schedule of Properties as of 31 Mar 2024

Property and Location	Latest Appraisal[2]	Remaining Land Lease Term	Gross Leasable Area (GLA)	Leased Area	Occupancy Rate	Rental Income	Gross Revenue	Cost and Expenses	EBIT
	in Php millions	**Years**	**in sqm**	**in sqm**	**%**	**in Php millions**	**in Php millions**	**in Php millions**	**in Php millions**
Vistamall Las Piñas Main	1,221.66	23.00	20,605.02	20,562.08	100%	33.03	34.25	12.07	22.18
Starmall Las Pinas - Annex	669.91	23.00	6,227.53	6,145.38	99%	3.83	4.86	1.28	3.58
Starmall San Jose del Monte	3,114.48	23.00	35,664.93	34,221.20	96%	67.37	75.06	24.85	50.21
SOMO - A Vista Mall	6,923.86	23.00	31,849.91	30,354.40	95%	195.26	110.42	17.22	93.20
Vistahub Molino	1,936.51	23.00	15,631.08	15,631.08	100%	16.47	17.06	6.11	10.95
Starmall Talisay - Cebu	1,550.75	23.00	19,643.57	19,643.57	100%	48.09	44.68	6.28	38.39
Starmall - Imus	591.11	23.00	12,778.45	12,404.93	97%	29.78	28.79	2.28	26.50
Vistamall General Trias	1,845.06	18.50	26,638.45	25,589.39	96%	32.29	28.30	10.10	18.20
Vistamall Tanza	1,474.40	18.50	25,012.82	23,221.71	93%	33.63	27.25	9.47	17.78
Vistamall Pampanga	1,054.07	23.00	25,526.84	24,038.63	94%	21.41	20.07	10.76	9.31
Vistahub BGC	3,202.94	-	20,742.42	20,143.14	97%	32.75	37.45	26.86	10.58
Vistamall Antipolo	1,720.59	23.00	16,082.93	15,479.01	96%	17.43	14.98	6.93	8.05
TOTAL	**25,305.34**		**256,403.95**	**247,434.52**	**97%**	**531.34**	**443.16**	**134.22**	**308.94**

[1] Pursuant to Section 6.2 of the Amended Listing Rules for REITs

[2] December 31, 2023

SIGNATURES

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

VISTAREIT, INC.
Issuer

By:

MELISSA CAMILLE Z. DOMINGO
CFO & Head, Investor Relations

Date: May 20, 2024