

COVER SHEET

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S.E.C. Registration Number

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

(Company's Full Name)

[illegible]

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

Brian N. Edang

Contact Person

8571-5948

Registrant Telephone Number

Month Day

Calendar Year

20-IS
Preliminary
Information
Statement

FORM TYPE

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Month Day

Annual Meeting

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders
100

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier



CERTIFICATION

VISTAMALLS, INC. (the "Company") hereby certifies that except for Ms. Camille A. Villar, none of the directors and officers of the Company named in the Information Statement for the Annual Meeting of its shareholders for the year 2021 works in the government as of the date hereof.

Ms. Villar is currently a duly elected Congresswoman, representing Las Piñas City. She is not disqualified from being, and does not require any consent or approval to serve as, a director of the Company on account of her said position.

Issued this 14th day of May 2021.

VISTAMALLS, INC.

By:

MA. NALEN S.J. ROSERO

Corporate Secretary



NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Notice is hereby given that the annual meeting of stockholders of **VISTAMALLS, INC.** (the "Company" or "STR") for the year 2021 will be held online on **June 28, 2021, Monday 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://www.starmalls.com.ph/documents/asm2021.php>.

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 August 03, 2020
4. Presentation of the President's Report, Management Report and Audited Financial Statements for the year 2020
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 2021
7. Appointment of External Auditors
8. Adjournment

Minutes of the 2020 Annual Meeting of Stockholders is available at the website of the Company (www.starmall.com.ph/documents).

The Board of Directors has fixed the close of 18 May 2021 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://www.starmalls.com.ph/documents/asm2021.php> on or before June 18, 2021. 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 18, 2021 at the Office of the Corporate Secretary at UGF Worldwide Corporate Center, Shaw Boulevard, Mandaluyong City and/or by email to ir@vistamalls.com.ph.

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


MA. NALEN S. ROSERO
Corporate Secretary

AGENDA DETAILS AND RATIONALE

1. Certification of Notice and Quorum

The Corporate Secretary, Atty. Nalen S.J. Rosero, 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://www.starmalls.com.ph/documents/asm2021.php> (the “Website”). Stockholders may send their questions or comments prior to the meeting by e-mail at ir@vistamalls.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 for the 2021 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 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 August 03, 2020

The minutes of the last Annual Meeting of Stockholders held on August 03, 2020 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 immediately after the 2020 Annual Meeting of Stockholders.

3. **President's Report, Management Report and Audited Consolidated Financial Statements as of and for the year ended December 31, 2020**

The audited financial statements ("AFS") of the Company as of and for the year ended December 31, 2020 (as audited by SyCip, Gorres, Velayo & Co.), a copy of which is 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 2020 (which will include highlights from the AFS) and the outlook for 2021.

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 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. **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**

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. **Election of the members of the Board of Directors, including the Independent Directors, for the year 2021**

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 Revised 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. **Appointment of External Auditors**

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 2021.

PROXY

[NOTE: Stockholders who would like to be represented thereat by a proxy may choose to execute and send a proxy form to the Office of the Corporate Secretary (Atty. Nalen S.J. Rosero) at UGF Worldwide Corporate Center, Shaw Boulevard, Mandaluyong City, on or before 18 June 2021. A sample proxy form is provided below. Stockholders may likewise email a copy of the accomplished proxy form to ir@vistamalls.com.ph.]

The undersigned stockholder of VISTAMALLS, INC. (the “Company”) hereby appoints _____ or in his absence, 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 28 June 2021 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 August 03, 2020 | 5. Re-appointment of SGV & Company as external auditor |
|---|--|

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Abstain	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Abstain
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2. Approval of the Audited Financial Statements for the year 2020

☐ 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

Printed name of Stockholder

4. Election of the members of the Board of Directors, including the Independent Directors for the year 2021

Name	No. of votes
Manuel B. Villar Jr.	_____
Manuel Paolo A. Villar	_____
Cynthia J. Javarez	_____
Camille A. Villar	_____
Adisorn Thananan-Narapool	_____
Cherrylyn P. Caoile	_____
Raul Juan N. Esteban	_____

Signature of Stockholder /
Authorized representative

Date

This proxy should be received by the Corporate Secretary on or before 18 June 2021, 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.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
☒ Preliminary Information Statement
☐ Definitive Information Statement
2. Name of Registrant as specified in its charter: **VISTAMALLS, INC.**
3. **Philippines**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **39587**
5. BIR Tax Identification Code **000-806-396-000**
6. **Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City,**
Daanghari, Almanza II, Las Piñas City 1747
Address of principal office Postal Code
7. Registrant's telephone number, including area code **(632) 8571-5948**
8. Date, time and place of the meeting of security holders
28 June 2021, 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
May 27, 2021
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
Common stock	8,425,981,156 shares
Preferred stock	2,350,000,000 shares

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

Yes ☒ 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: June 28, 2021

Time: 10:00 a.m.

Place: N/A (via remote communication)

The corporate mailing address of the principal office of the Registrant is Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City, Philippines.

This Information Statement may be accessed by the Company's stockholders beginning May 27, 2021 at the Company's website, www.starmalls.com.ph/documents.

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.

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.

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 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 Registrant 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 2021

Common:	8,425,981,156
Preferred:	2,350,000,000

(b) Record Date: 18 May 2021

Each common share of stock of the Registrant is entitled to one (1) vote. Pursuant to Article III, Section 3 of the Registrant'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, 2021:

Class	Filipino		Foreign		Total Shares Outstanding
	Shares	Percent of Class	Shares	Percent of Class	
Common	7,614,366,829	90.37%	811,614,327	9.63%	8,425,981,156
Preferred	2,350,000,000	100.00%	-	-	2,350,000,000
Total	9,964,366,829		811,614,327		10,775,981,156

Security Ownership of Certain Beneficial Owners and Management

Security ownership of certain record and beneficial owners of more than 5.0% of the Registrant's voting securities as of April 30, 2021:

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 Ownership¹
Common	Vista Land & Lifescapes, Inc. ("VLL") ² LGF Bldg B, Evia Lifestyle Center, Vista City, Daang Hari, Almanza II, Las Piñas City Shareholder	Record Owner is also beneficial Owner	Filipino	7,443,192,641	69.0721%
Common	Land & Houses Public Company Limited ³ Q. House, Convent Building, 4th & 5th Floors, No. 38 Convent Road, Silom, Bangkok, Thailand Shareholder	Record Owner is also beneficial Owner	Thai	808,431,465	7.5022%
Preferred	Fine Properties, Inc. ⁴ LGF Bldg B, Evia Lifestyle Center, Vista City, Daang Hari, Almanza II, Las Piñas City Shareholder	Record Owner is also beneficial Owner	Filipino	2,350,000,000	21.8078%

¹ Based on the total issued and outstanding shares (common and preferred) of 10,775,981,156 as of April 30, 2021.

² VLL, through a resolution passed by the Board of Directors, usually designate its President, Manuel Paolo A. Villar, to be its authorized representative with the power to vote its shares of stock in VLL's subsidiaries

³ Land & Houses Public Company Limited (L&H) is a foreign corporation duly organized and existing by virtue of the laws of Thailand with office address at Reg. No. 57 Q. House Convent Bldg., 3rd to 5th Floor, 38 Convent Road, Silom, Bangkok 10500 Thailand. L&H usually acts through Mr. Anant Asavabhokhin or Mr. Adisorn Thananun-Narapool in matters relating to its shares of stock in the Company.

⁴ Fine Properties, Inc. through a resolution passed by the Board of Directors, usually designate its President, Cynthia J. Javarez, to be its authorized representative with the power to vote its shares of stock in Vistamalls, Inc.

Security ownership of management as of April 30, 2021:

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	Percent of Class
Common Shares	Manuel B. Villar Jr. ⁵ C. Masibay Street, BF Resort Village, Las Piñas City	1,000 - Direct	Filipino	.00001%
Preferred Shares	Manuel B. Villar Jr. ⁵ C. Masibay Street, BF Resort Village, Las Piñas City	2,350,000,000 - Indirect	Filipino	21.80776%
Common Shares	Manuel Paolo A. Villar ⁶ C. Masibay Street, BF Resort Village, Las Piñas City	1,000 - Direct	Filipino	.00001%
Common Shares	Cynthia J. Javarez B3A/L2 Vetta di Citta Italia Imus, Cavite	1,000 - Direct	Filipino	.00001%
Common Shares	Camille A. Villar C. Masibay Street, BF Resort Village, Las Piñas City	100 - Indirect	Filipino	.00001%
Common Shares	Adisorn Thananan-Narapool 1 Q. House, Lumpini 38 th Floor, South Saturn Road, Silom, Bangkok, Thailand	1,000 - Indirect	Thai	.00001%
Common Shares	Raul Juan N. Esteban 223B Alexandra Condo. 29 Meralco Avenue, Ortigas Center, Pasig City	1,000 – Indirect	Filipino	.00001%
-	Brian N. Edang B11 L16 Pacita 2, San Pedro, Laguna	-	Filipino	-
-	Ma. Nalen SJ. Rosero Block 5 Lot 2A New Victorianne Row La Posada Subdivision, Sucat, Muntinlupa City	-	Filipino	-
-	Jo Marie Lazaro-Lim Block 3 Lot 13 Maia Alta Courtyards Subdivision, Antipolo City	-	Filipino	-
AGGREGATE SHAREHOLDINGS		2,350,005,100		21.80782%

⁵ Mr. Manuel B. Villar Jr. holds legal title to 1,000 common shares in Vistamalls, Inc. by virtue of, and pursuant to, a Deed of Assignment and Declaration of Trust with VLL

⁶ Mr. Manuel Paolo A. Villar holds legal title to 1,000 common shares in Vistamalls, Inc. by virtue of, and pursuant to, a Deed of Assignment and Declaration of Trust with VLL

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

Voting Trust Holders of 5.0% or More

As of April 30, 2021, 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 Registrant is not aware of any voting trust agreements or any other similar agreements which may result in a change in control of the Registrant. No change in control of the Registrant 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 Registrant:

<u>NAME</u>	<u>AGE</u>	<u>POSITION</u>	<u>CITIZENSHIP</u>
Manuel B. Villar Jr.	71	Chairman	Filipino
Manuel Paolo A. Villar	44	Director & President	Filipino
Cynthia J. Javarez	57	Director & Treasurer	Filipino
Camille A. Villar	36	Director	Filipino
Adisorn Thananun-Narapool	66	Director	Thai
Cherrylyn P. Caoile ⁷	46	Independent Director	Filipino
Raul Juan N. Esteban	58	Independent Director	Filipino
Brian N. Edang	42	Chief Financial Officer & Head, Investor Relations	Filipino
Ma. Nalen S.J. Rosero	50	Chief Information Officer & Corporate Secretary	Filipino
Jo Marie Lazaro-Lim	42	Compliance Officer & Assistant Corporate Secretary	Filipino

⁷ Elected on May 3, 2021

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

MANUEL B. VILLAR, JR. *Chairman of the Board.* Mr. Villar, 70, was Senator of the Philippines from 2001 to June 2013. He served as Senate President from 2006 to 2008. He also served as a Congressman from 1992 to 2001 and as Speaker of the House of Representatives from 1998 to 2000. A Certified Public Accountant, Mr. Villar graduated from the University of the Philippines in 1970 with the degree of Bachelor of Science in Business Administration and in 1973 with the degree of Masters in Business Administration. He founded Camella Homes in the early 1970s and successfully managed said company over the years, to become the largest homebuilder in the Philippines now known as the Vista Land Group. Mr. Villar is also Chairman of the Board of Vistamalls, Inc. (formerly Starmalls, Inc.), AllHome Corp., AllValue Holdings Corp. and Golden Bria Holdings, Inc. He is a member of the following organizations: Makati Business Club, Manila Golf Club, Management Association of the Philippines, Financial Executive Institute of the Philippines (FINEX), Philippine Institute of Certified Public Accountants, and the Villar Social Institute for Poverty Alleviation and Governance (SIPAG).

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

CYNTHIA J. JAVAREZ, *Director and Treasurer.* Ms. Javarez graduated from the University of the East with a degree in Bachelor of Science in Business Administration major in Accounting. She is a Certified Public Accountant. She completed a Management Development Program at the Asian Institute of Management in 2006. Ms. Javarez was previously the Chief Financial Officer of Polar Property Holdings Corp. until 2011 and the Tax & Audit Head in the MB Villar Group of Companies until 2007. She was the Controller and Chief Financial Officer of Vista Land since 2013 until she was elected as Chief Operating Officer in November 2018. She is also the current President of Fine Properties, Inc., Camella Homes, Inc., Communities Philippines, Inc., Crown Asia Properties, Inc., Brittany Corporation and Vista Residences, Inc.

CAMILLE A. VILLAR, *Managing Director, Vista Land Commercial Division.* Ms. Villar, graduated from Ateneo de Manila University with a degree in Bachelor of Science in Management. She took Management in Business Administration, Global Executive MBA Program in Instituto de Estudios Superiores de la Eprese (IESE) Business School, Barcelona, Spain. She joined the Corporate Communications Group of Brittany in 2007 until she assumed the position of Managing Director of Vista Land Commercial. She is a Director of Vistamalls, Inc. (formerly Starmalls, Inc.) and Golden Bria Holdings, Inc. She is also the Concurrent President of All Value Holdings Corp., and the Vice Chairman of AllHome Corp. Ms. Villar is currently a Congresswoman, representing Las Pinas City.

ADISORN THANANUN-NARAPOOL, *Director*, holds a Bachelor of Accounting from Thammasat University and M.B.A. from Thammasat University. Mr. Thananun-Narapool has been Managing Director of Land and Houses Public Company Limited since May 1, 2013 and serves as its Member of Executive Board. Mr. Thananun-Narapool served as Senior Executive Vice President of Support at Land and Houses Public Company Limited from 2002 to April 2013 and served as its Chief Financial Officer. Mr. Thananun-Narapool served as an Executive Vice President -Land and Houses Public Co., Ltd. from 1992 to 2001. He has been a Director of Land and Houses North Co Ltd., and Land and Houses Northeast Co Ltd., since 1995. Mr. Thananun-Narapool has been a Director of Siam Tanee Property Co., Ltd. since 1991, Siam Tanee Real Estate Co., Ltd. since 1993, Safety Insurance Public Co., Ltd. since 1994, Cameron Global Limited since 1999, LH Muang Mai Co., Ltd. since 2001. Mr. Thananun-Narapool serves as a Director of Secondary Mortgage Corporation, Asset Plus Securities Public Co., Ltd., Land and Houses Property Fund. He has been a Director of Land and Houses Public Company Ltd. since 2002 and of the Company since June 24, 2013.

CHERRYLYN P. CAOILE, *Independent Director*, obtained her Bachelor of Science in Legal Management from the De La Salle University and earned the degree of Juris Doctor in Ateneo de Manila School of Law. She worked in Picazo Buyco Tan Fider & Santos in 1998, where she became a partner in 2009 until 2019. She served as an Assistant Professor in Commercial Law Department for De La Salle University – College of Business & Economics from 2003 to 2005. Ms. Caoile was recently the legal consultant of House of Representatives, Committee on Economic Affairs. She is currently the chairman of the board of Taipan Security Services, Inc. She was the former Director of MJC Investment Corporation, Narra Wellness Resorts, Inc., and PALI Investments, Inc. She was appointed as the Corporate Secretary of MetroPac Water Investments, Inc. and was the Assistant Corporate Secretary of Smart Communications, Inc., Paymaya Philippines, Inc., MPCALA Holdings, Inc., and Vista Land & Lifescapes, Inc. Ms. Caoile possesses all the qualifications and none of the disqualifications of an Independent Director under SRC Rule 38 since his election as such.

RAUL JUAN N. ESTEBAN, *Independent Director*, graduated from the Ateneo de Manila University with a degree of Bachelor of Science in Management Engineering. He became a brand manager of Unilever Philippine from 1983 to 1986. He was the Country Representative of PPF (A Subsidiary of Unilever) from 1986 to 1988. He was Founding Partner of AGB-Nielsen Philippines and was Chairman until 2012. He held various positions in the Advertising Board of the Philippines, Advertising Congress, MORES (Marketing & Opinion Research Society of the Philippines) and ESOMAR (World Association of Marketing, Social, and Opinion Research) from 2000 to present. Currently, he is the Managing Director of Philippine Survey and Research Center Inc. Mr. Esteban has been a Director of the Company since June 30, 2014. Mr. Esteban possesses all the qualifications and none of the disqualifications of an Independent Director under SRC Rule 38 since his election as such.

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

MA. NALEN SJ. ROSERO, *Chief Information Officer and Corporate Secretary*, graduated salutatorian from the San Beda College of Law. She has been with the group since 2001. She was an associate of the Angara Abello Concepcion Regala & Cruz (ACCRA) Law Offices for three years. She has been a director of Masterpiece Asia Properties, Inc. from 2005 to 2013 and of Manuela Corporation from 2011 to 2013. She is also the Corporate Secretary of the subsidiaries of Vista Land.

JO MARIE LAZARO-LIM, *Compliance Officer and Assistant Corporate Secretary*, graduated from University of Sto. Tomas with a degree in Bachelor of Arts in Legal Management and she earned her law degree from San Beda College of Law. She joined Manuela Corporation in 2003. She is currently the Corporate Secretary of AllHome Corp., and its subsidiaries, and Manuela Corporation and Masterpiece Asia Properties, Inc., as well as the other affiliate companies of the group.

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 Registrant conforms with SRC Rule 38, as amended, with regard to the nomination of independent directors of the Registrant. Article IV, Sections 1-A and 2 of the Registrant's By-Laws provide as follows:

Section 1A. Independent Directors – The corporation shall have at least two (2) independent directors or at least twenty (20%) of the entire Board membership, whichever is lesser.

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, as the same may be amended from time to time.
(As amended on 04 October 2010)

Section 2. Election and term – The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

A Nomination Committee is hereby created which may be organized from time to time upon determination of the Board of Directors. The Nomination Committee shall be composed of at least three (3) members, one of whom shall be an independent director. The Nomination Committee shall have the following functions: (A) formulate screening policies to enable the committee to effectively review the qualification of the nominees for independent directors; and (B) conduct nominations for independent directors prior to the stockholders' meeting in accordance with the procedures set forth in Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code, as the same may be amended from time to time.
(As amended on 04 October 2010)

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 Registrant'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 Registrant 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 Registrant has complied with the guidelines on the nomination and election of independent directors set forth in Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code. The nominated independent directors, namely, Mr. Raul Juan N. Esteban and Ms. Cherrylyn P. Caoile were duly nominated by Ms. Editha Dolon, a registered shareholder of the Registrant who is not a director, officer or substantial shareholder of the Registrant and who is not related to either of the said nominees. The Nominations Committee of the Registrant is composed of Mr. Manuel B. Villar Jr., Chairman, and Mr. Raul Juan N. Esteban and Ms. Cherrylyn P. Caoile, members.

Attendance in Board Meetings

Attendance of each director of the Corporation in Board meetings held during the year 2020 as follows:

	<i>Jun 04</i>	<i>Jul 08</i>	<i>Jul 10</i>	<i>Jul 14</i>	<i>Aug 03</i>	<i>Aug 13</i>	<i>Sep 30</i>	<i>Nov 13</i>
Manuel B. Villar Jr.	P	P	P	P	P	P	P	P
Manuel Paolo A. Villar	P	P	P	P	P	P	P	P
Cynthia J. Javarez	P	P	P	P	P	P	P	P
Camille A. Villar	P	P	P	P	P	P	P	P
Adisorn Thananan-Narapool	-	-	-	-	-	-	-	-
Joel L. Bodegon	P	P	P	P	P	P	P	P
Raul Juan N. Esteban	P	P	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

Due to the death of Mr. Joel L. Bodegon in April 2021, Ms. Cherrylyn P. Caoile was elected in his place.

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

Significant Employees

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

Family Relationships

Mr. Manuel Paolo A. Villar and Ms. Camille A. Villar, who are both directors of the Company, are siblings, and children of Mr. Manuel B. Villar, Jr., the Chairman of the Board. Except for the aforesaid relationship, 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

Except as disclosed in the Annual Report of the Registrant (SEC Form 17-A) for the year ended December 31, 2020, the Registrant has not had any transaction during the last two (2) years in which any Director or Executive Officer or any of their immediate family members had a direct or indirect interest.

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, 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.

Compensation of Directors and Executive Officers

Executive Compensation

The executive officers of the Registrant are currently receiving and will continue to receive fixed salaries on a monthly basis from the respective subsidiaries or businesses of the Registrant that they manage. The compensation for its executive officers for the year 2019 and 2020 (actual) and 2021 (projected) are as shown below:

Names	Position	Year	Salary	Bonus
Manuel Paolo A. Villar	President			
Brian N. Edang	Chief Financial Officer & Head, Investor Relations			
Ma. Nalen SJ. Rosero	Corporate Secretary & Chief Information Officer			
Rowena B. Bandigan	Chief Accountant			
Florence R. Bernardo	Mall operations			
Aggregate executive compensation for above named officers		Actual 2019	₱ 9.7 M	₱ 0.6 M
		Actual 2020	₱ 10.2 M	₱ 0.6 M
		Projected 2021	₱ 10.8 M	₱ 0.7 M
Aggregate executive compensation for all other officers and directors, unnamed		Actual 2019	₱ 5.4 M	₱ 0.4 M
		Actual 2020	₱ 5.6 M	₱ 0.4 M
		Projected 2021	₱ 5.9 M	₱ 0.4 M

The total annual compensation paid to the above-named officers and directors was paid in cash. The annual compensation includes the basic salary, the mid-year and 13th month bonus.

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's subsidiaries, for any services provided as a director for 2019 and 2020.

Other arrangements

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly by the Company's subsidiaries, during 2019 or 2020 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.

Significant employee

While the Company values the contribution of each of its executive and non-executive employees, the Company believes there is no non-executive employee that the resignation or loss of whom would have a material adverse impact on the business of the Company. Other than standard employment contracts, there are no special arrangements with non-executive employees of the Company.

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 2020, the Registrant's auditors did not perform any substantial non-audit services for the Registrant.

Changes in and Disagreement with Accountants on Accounting and Financial Disclosure

The Group has adopted some revisions and annual improvements to the PFRS (Philippine Financial Reporting Standards) that are relevant to the Group and effective for the financial statements beginning on or after January 1, 2018 as discussed in Note 3 of the Notes to Consolidated Financial Statements for the years ended December 31, 2020, 2019 and 2018.

As such, the comparative amounts contained in the audited financial statements may differ from those previously presented in the consolidated financial statements for the year ended December 31, 2020, 2019 and 2018.

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

Audit Committee's Approval Policies and Procedures

In relation to the audit of the Registrant's annual financial statements, the Registrant'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 Registrant; (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 Registrant with acceptable auditing and accounting standards and regulations.

The Audit Committee of the Registrant is composed of Mr. Raul Juan N. Esteban, Chairman, and Ms. Cynthia J. Javarez and Ms. Cherrylyn P. Caoile, 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.

	<u>2020</u>	<u>2019</u>
	<i>(In ₱ Millions with VAT)</i>	
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	₱ 4.24	₱ 3.59
All other fees	—	—
Total	₱ 4.24	₱ 3.59

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

Tax Fees

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

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 August 03, 2020, covering the following matters: (i) noting of the President's Report and the Annual Report for the year 2019; (ii) approval and adoption of the Audited Financial Statements for the year ended 31 December 2019; (iii) ratification of all acts of the Board of Directors and Management since the annual stockholders' meeting held in August 2020; (iv) election of the directors and independent directors of the Company for the ensuing fiscal year; and (v) appointment of the external auditor of the Company for the fiscal year 2020
2. The President's Report; and
3. Audited Financial Statements for the year 2020.

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 2019 and 2020 Audited Financial Statements, appointment of officers, 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

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 2020, 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 REGISTRANT UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF SEC FORM 17-A 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 SHALL BE ADDRESSED AS FOLLOWS:

**Vistamalls, Inc.
Lower Ground Floor, Building B, EVIA
Lifestyle Center, Vista City, Daanghari,
Almanza II, Las Piñas City**

Attention: Brian N. Edang

PART II

MANAGEMENT REPORT

I. FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Registrant as of and for the year ended December 31, 2020 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 consolidated financial statements without qualification as of and for the years ended December 31, 2018, 2019 and 2020, 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 following table sets out the aggregate fees billed for each of the last two years for professional services rendered by SGV & Company.

	<u>2020</u>	<u>2019</u>
	<i>(In ₱ Millions with VAT)</i>	
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	₱ 4.24	₱ 3.59
All other fees	—	—
Total	₱ 4.24	₱ 3.59

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

REVIEW OF YEAR END 2020 VS YEAR END 2019

RESULTS OF OPERATIONS

Revenues

Operating revenue

Operating revenue increased from ₱7,475 million for the year ended December 31, 2019 to ₱7,273 million for the year ended December 31, 2020. The 3% decrease in the account was primarily attributable to the following:

- Rental income increased from ₱6,730 million for the year ended December 31, 2019 to ₱6,843 million for the year ended December 31, 2020. The 2% increase was maintained by the tenant mix of the malls being majority essential. In addition, the group provided concession to tenants on a case by case rather than an across the board concessions.
- Parking fee revenue decreased from ₱185 million for the year ended December 31, 2019 to ₱115 million for the year ended December 31, 2020. The 38% decrease was due to lower number of vehicles using the mall parking space due to the lockdown.
- Other operating income decreased from ₱559 million for the year ended December 31, 2019 to ₱314 million for the year ended December 31, 2020. The 44% decrease was due to the decrease in administrative fees and other fees charged to tenants such as billboards and other collaterals classified as other operating income due to the lockdown.

Costs and Expenses

Operating Expenses

Cost and expenses decreased from ₱3,445 million for the year ended December 31, 2019 to ₱2,936 million for the year ended December 31, 2020. The 15% decrease in the account was primarily attributable to the following:

- Decrease in light and power by 55% from ₱522 million for the year ended December 31, 2019 to ₱233 million for the year ended December 31, 2020 due to the decrease in the consumption in light and power as a result of shorter mall operating hours implemented as part of the lockdown.
- Decrease in outside services by 31% from ₱403 million for the year ended December 31, 2019 to ₱280 million for the year ended December 31, 2020 due to the decrease in manpower and agency fees for the operations of the malls and office buildings as a result of the lockdown implemented.

- Increase in taxes and licenses by 7% from ₱230 million for the year ended December 31, 2019 to ₱246 million for the year ended December 31, 2020 due to higher taxes paid during the year.
- Decrease in repairs and maintenance by 31% from ₱173 million for the year ended December 31, 2019 to ₱119 million for the year ended December 31, 2020 due to the cost-cutting measures implemented and the closure of some parts of the malls during the lockdown.
- Decrease in advertising and promotions by 60% from ₱82 million for the year ended December 31, 2019 to ₱32 million for the year ended December 31, 2020 due to the pandemic and shift to digital marketing.
- Increase in insurance by 44% from ₱34 million for the year ended December 31, 2019 to ₱49 million for the year ended December 31, 2020 due to the additional insurance obtained by the Company for its malls and office buildings.
- Increase in professional fees by 42% from ₱19 million for the year ended December 31, 2019 to ₱27 million for the year ended December 31, 2020 as a result of higher professional fees paid in 2020.
- Decrease in rentals by 60% from ₱11 million for the year ended December 31, 2019 to ₱4 million for the year ended December 31, 2020 due to rental concessions from a 3rd party land lease and non-renewal of short term leases.
- Decrease in other operating expenses by 38% from ₱104 million for the year ended December 31, 2019 to ₱64 million for the year ended December 31, 2020 due to decrease in representation and entertainment, training, registration fees and miscellaneous for the year.

Interest Income

Interest income increase from ₱26 million for the year ended December 31, 2019 to ₱45 million for the year ended December 31, 2020. The 73% increase resulted from the higher interest earned from in cash in banks, investments and receivables of the company for the year.

Interest Expense

Interest expense increase by 119% from ₱238 million in the year ended December 31, 2019 to ₱522 million in the year ended December 31, 2020. This is due primarily to the interest pertaining to the of lease liabilities recognized due to the adoption of the PFRS 16 during the year.

Provision for Income Tax

Tax expense for the year ended December 31, 2020 is ₱1,132 million a decrease of 4% from ₱1,182 million for the year ended December 31, 2019. This is due primarily to the lower taxable income recorded for the year.

Net Income

As a result of the foregoing, the Company's net income increased by 3% from ₱2,636 million in the year ended December 31, 2019 to ₱2,721 million in the year ended December 31, 2020.

For the year ended December 31, 2020, there were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues. Except as discussed in the notes to financial statements Events after the report date on the potential impact of the COVID-19 pandemic.

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

FINANCIAL CONDITION

As of December 31, 2020 vs. December 31, 2019

Total assets as of December 31, 2019 were ₱70,626 million compared to ₱73,692 million as of December 31, 2020, or a 4% increase. This was due to the following:

- Cash and cash equivalents including short term cash investments decreased by 74% from ₱652 million as of December 31, 2019 to ₱172 million as of December 31, 2020 due to cash usage for the period.
- Investments at fair value through profit/loss and other comprehensive income including non-current portion decreased by 39% from ₱5,844 million as of December 31, 2019 to ₱3,543 million as of December 31, 2019 due to the decrease in fair value of quoted equity securities for the year.
- Receivables, including non-current portion increased by 46% from ₱9,334 million as of December 31, 2019 to ₱13,635 million as of December 31, 2020 due to the lower collection for the period as a result of the pandemic and the implementation of the Bayanihan Act and the increase in accrued rent due to PAS 17.
- Property and equipment decreased by 18% from ₱80 million as of December 31, 2019 to ₱65 million as of December 31, 2020 due to depreciation recognized for the year.
- Investment properties increased by 3% from ₱47,855 million as of December 31, 2019 to ₱49,475 million as of December 31, 2020 due primarily to the additions to commercial developments, acquisition of land for commercial development during the year.

Total liabilities as of December 31, 2019 were ₱44,484 million compared to ₱47,261 million as of December 31, 2020, or a 6% increase. This was due to the following:

- Accounts and other payables increased by 73% from ₱2,358 million as of December 31, 2019 to ₱4,081 million as of December 31, 2020 due to the increase in accounts payable to contractors and suppliers, and retention payable for the year.
- Security deposits and advance rent increased by 5% from ₱703 million as of December 31, 2019 to ₱734 million as of December 31, 2020 due to the additional deposits from new

lessees for malls and offices as well as top up of security deposits and advance rent based on escalation.

- Payable to parent company increased by 6% from ₱27,854 million as of December 31, 2019 to ₱29,461 million as of December 31, 2020 due to advances from parent company made during the year.
- Income tax payable decreased by 15% from ₱41 million as of December 31, 2019 to ₱35 million as of December 31, 2020 due to the settlements made during the year.
- Bank Loans, including non-current portion decreased by 31% from ₱4,298 million as of December 31, 2019 to ₱2,972 million as of December 31, 2020 due to payments made during the year.
- Lease liabilities decreased by 7% from ₱4,016 as of December 31, 2019 to ₱3,737 million as of December 31, 2020 due to termination of two land lease contracts for the year.
- Pension liabilities increased by 37% from ₱52 million as of December 31, 2019 to ₱71 million as of December 31, 2020 due to actuarial adjustments.
- Deferred tax liabilities – net posted an increase of 29% from ₱3,140 million as of December 31, 2019 to ₱4,056 million as of December 31, 2020 due to the increase in temporary differences for the period that will eventually result to future tax liability.
- Other non-current liabilities increased by 4% from ₱2,024 million as of December 31, 2019 to ₱2,113 million as of December 31, 2020 due to the increase in the noncurrent portion of payables to contractors.

Total stockholder's equity increased by 1% from ₱26,143 million as of December 31, 2019 to ₱26,431 million as of December 31, 2020 due to the earnings recorded for the year.

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

Key Performance Indicators	12/31/2020	12/31/2019
Current ratio ^(a)	0.33:1	0.28:1
Liability-to-equity ratio ^(b)	1.79:1	1.70:1
Interest coverage ^(c)	32.68	17.82
Return on assets ^(d)	3.7%	3.7%
Return on equity ^(e)	10.3%	10.1%

Notes:

- (a) *Current Ratio: This ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.*
- (b) *Liability-to-equity ratio: This ratio is obtained by dividing the Company's Total Liabilities by its Total Equity. The ratio reveals the proportion of debt and equity a company is using to finance its business. It also measures a company's borrowing capacity.*
- (c) *Interest coverage: This ratio is obtained by dividing earnings before interest, taxes depreciation and amortization (EBITDA) by the total interest paid. This ratio shows whether a company is earning enough profits before interest to pay its interest cost comfortably.*
- (d) *Return on assets: This ratio is obtained by dividing the Company's net income (net of income from acquisition of subsidiary) by its total assets. This measures the Company's earnings in relation to all of the resources it had at its disposal.*
- (e) *Return on equity: This ratio is obtained by dividing the Company's net income (net of income from acquisition of subsidiary) by its total equity. This measures the rate of return on the ownership interest of the Company's stockholders.*

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, 2020 increased from that of December 31, 2019 due to the increase in current asset from receivables classified as current.

The increase in liability-to-equity ratio was due to the increase in payable to related parties and the recognition of lease liabilities under PFRS 16.

Interest coverage for the year ended December 31, 2020 increased because of the lower interest paid for the year.

Return on asset flat as of December 31, 2020 compared to that as of December 31, 2019 due to same increase of growth in total assets and net income for the year.

Return on equity slightly increased due to the higher increase in net income for the year compared to the growth in total equity.

Material Changes to the Company's Balance Sheet as of December 31, 2020 compared to December 31, 2019 (increase/decrease of 5% or more)

Cash and cash equivalents including short term cash investments decreased by 74% from ₱652 million as of December 31, 2019 to ₱172 million as of December 31, 2020 due to cash usage for the period.

Investments at fair value through profit/loss and other comprehensive income including non-current portion decreased by 39% from ₱5,844 million as of December 31, 2019 to ₱3,543 million as of December 31, 2019 due to the decrease in fair value of quoted equity securities for the year.

Receivables, including non-current portion increased by 46% from ₱9,334 million as of December 31, 2019 to ₱13,635 million as of December 31, 2020 due to the lower collection

for the period as a result of the pandemic and the implementation of the Bayanihan Act and the increase in accrued rent due to PAS 17.

Property and equipment decreased by 18% from ₱80 million as of December 31, 2019 to ₱65 million as of December 31, 2020 due to depreciation recognized for the year.

Accounts and other payables increased by 73% from ₱2,358 million as of December 31, 2019 to ₱4,081 million as of December 31, 2020 due to the increase in accounts payable to contractors and suppliers, and retention payable for the year.

Security deposits and advance rent increased by 5% from ₱703 million as of December 31, 2019 to ₱734 million as of December 31, 2020 due to the additional deposits from new lessees for malls and offices as well as top up of security deposits and advance rent based on escalation.

Payable to parent company increased by 6% from ₱27,854 million as of December 31, 2019 to ₱29,461 million as of December 31, 2020 due to advances from parent company made during the year.

Income tax payable decreased by 15% from ₱41 million as of December 31, 2019 to ₱35 million as of December 31, 2020 due to the settlements made during the year.

Bank Loans, including non-current portion decreased by 31% from ₱4,298 million as of December 31, 2019 to ₱2,972 million as of December 31, 2020 due to payments made during the year.

Lease liabilities decreased by 7% from ₱4,016 as of December 31, 2019 to ₱3,737 million as of December 31, 2020 due to termination of two land lease contracts for the year.

Pension liabilities increased by 37% from ₱52 million as of December 31, 2019 to ₱71 million as of December 31, 2020 due to actuarial adjustments.

Deferred tax liabilities – net posted an increase of 29% from ₱3,140 million as of December 31, 2019 to ₱4,056 million as of December 31, 2020 due to the increase in temporary differences for the period that will eventually result to future tax liability.

Material Changes to the Company's Statement of income for the year ended December 31, 2020 compared to the year ended December 31, 2019 (increase/decrease of 5% or more)

Parking fee revenue decreased from ₱185 million for the year ended December 31, 2019 to ₱115 million for the year ended December 31, 2020. The 38% decrease was due to lower number of vehicles using the mall parking space due to the lockdown.

Other operating income decreased from ₱559 million for the year ended December 31, 2019 to ₱314 million for the year ended December 31, 2020. The 44% decrease was due to the decrease in administrative fees and other fees charged to tenants such as billboards and other collaterals classified as other operating income due to the lockdown.

Decrease in light and power by 55% from ₱522 million for the year ended December 31, 2019 to ₱233 million for the year ended December 31, 2020 due to the decrease in the consumption in light and power as a result of shorter mall operating hours implemented as part of the lockdown.

Decrease in outside services by 31% from ₱403 million for the year ended December 31, 2019 to ₱280 million for the year ended December 31, 2020 due to the decrease in manpower and agency fees for the operations of the malls and office buildings as a result of the lockdown implemented.

Increase in taxes and licenses by 7% from ₱230 million for the year ended December 31, 2019 to ₱246 million for the year ended December 31, 2020 due to higher taxes paid during the year.

Decrease in repairs and maintenance by 31% from ₱173 million for the year ended December 31, 2019 to ₱119 million for the year ended December 31, 2020 due to the cost-cutting measures implemented and the closure of some parts of the malls during the lockdown.

Decrease in advertising and promotions by 60% from ₱82 million for the year ended December 31, 2019 to ₱32 million for the year ended December 31, 2020 due to the pandemic and shift to digital marketing.

Increase in insurance by 44% from ₱34 million for the year ended December 31, 2019 to ₱49 million for the year ended December 31, 2020 due to the additional insurance obtained by the Company for its malls and office buildings.

Increase in professional fees by 42% from ₱19 million for the year ended December 31, 2019 to ₱27 million for the year ended December 31, 2020 as a result of higher professional fees paid in 2020.

Decrease in rentals by 60% from ₱11 million for the year ended December 31, 2019 to ₱4 million for the year ended December 31, 2020 due to rental concessions from a 3rd party land lease and non-renewal of short term leases.

Decrease in other operating expenses by 38% from ₱104 million for the year ended December 31, 2019 to ₱64 million for the year ended December 31, 2020 due to decrease in representation and entertainment, training, registration fees and miscellaneous for the year.

Interest income increase from ₱26 million for the year ended December 31, 2019 to ₱45 million for the year ended December 31, 2020. The 73% increase resulted from the higher interest earned from in cash in banks, investments and receivables of the company for the year.

Interest expense increase by 119% from ₱238 million in the year ended December 31, 2019 to ₱522 million in the year ended December 31, 2020. This is due primarily to the interest pertaining to the of lease liabilities recognized due to the adoption of the PFRS 16 during the year.

For the year ended December 31, 2020, there were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues. Except as discussed in the notes to financial statements Events after the report date on the potential impact of the COVID-19 pandemic.

REVIEW OF YEAR END 2019 VS YEAR END 2018

RESULTS OF OPERATIONS

Revenues

Operating revenue

Operating revenue increased from ₱6,286 million for the year ended December 31, 2018 to ₱7,475 million for the year ended December 31, 2019. The 19% increase in the account was primarily attributable to the following:

- Rental income increased from ₱5,674 million for the year ended December 31, 2018 to ₱6,730 million for the year ended December 31, 2019. The 19% increase was due to the primarily to the additional leasable space for the year, increase in occupancy of the existing malls and increase in the rental rate.
- Parking fee revenue increased from ₱159 million for the year ended December 31, 2018 to ₱185 million for the year ended December 31, 2019. The 17% increase was due to higher number of vehicles using the mall parking space and additional parking space from new malls opened during the year.
- Other operating income increased from ₱453 million for the year ended December 31, 2018 to ₱559 million for the year ended December 31, 2019. The 23% increase was due to increase in other fees charged to tenants such as billboards and other collaterals classified as other operating income.

Costs and Expenses

Operating Expenses

Cost and expenses increased from ₱2,809 million for the year ended December 31, 2018 to ₱3,445 million for the year ended December 31, 2019. The 23% increase in the account was primarily attributable to the following:

- Increase in depreciation and amortization by 56% from ₱998 million for the year ended December 31, 2018 to ₱1,559 million for the year ended December 31, 2019 due to additional depreciation from the newly opened malls and corporate building.
- Increase in light and power by 28% from ₱409 million for the year ended December 31, 2018 to ₱522 million for the year ended December 31, 2019 due to the increase in the consumption in light and power as a result of the additional mall openings during the year as well as increase the rate of utilities charged during the period.
- Increase in outside services by 16% from ₱347 million for the year ended December 31, 2018 to ₱403 million for the year ended December 31, 2019 due to the increase in manpower and agency fees for the operations of the malls and office buildings as a result of the new openings for the year.
- Increase in salaries and employee benefits by 5% from ₱244 million for the year ended December 31, 2018 to ₱256 million for the year ended December 31, 2019 due to the

increase in manpower for the operations and management of the new and existing malls and office buildings.

- Increase in taxes and licenses by 32% from ₱174 million for the year ended December 31, 2018 to ₱230 million for the year ended December 31, 2019 due to higher taxes paid during the year.
- Increase in repairs and maintenance by 17% from ₱148 million for the year ended December 31, 2018 to ₱173 million for the year ended December 31, 2019 due to the various refurbishments of the company's older malls and office building.
- Increase in advertising and promotions by 8% from ₱76 million for the year ended December 31, 2018 to ₱82 million for the year ended December 31, 2019 due to increase in advertorials for the marketing and promotion of the malls especially the newly opened ones.
- Increase in insurance by 11% from ₱30 million for the year ended December 31, 2018 to ₱34 million for the year ended December 31, 2019 due to the additional insurance obtained by the Company for its new malls and office buildings.
- Increase in professional fees by 16% from ₱17 million for the year ended December 31, 2018 to ₱19 million for the year ended December 31, 2019 as a result of lower professional fees paid in 2018.
- Decrease in rentals by 96% from ₱299 million for the year ended December 31, 2018 to ₱11 million for the year ended December 31, 2019 due to the adoption of PFRS 16 which recognized the amortization of right-of-use asset against the previously recognized rent expense.
- Increase in other operating expenses by 133% from ₱67 million for the year ended December 31, 2018 to ₱156 million for the year ended December 31, 2019 due to increase in representation and entertainment, training, registration fees and miscellaneous for the year.

Interest Income

Interest income decrease from ₱42 million for the year ended December 31, 2018 to ₱26 million for the year ended December 31, 2019. The 39% decrease resulted from the lower interest earned from in cash in banks, investments and receivables of the company for the year.

Interest Expense

Interest expense increase by 343% from ₱54 million in the year ended December 31, 2018 to ₱238 million in the year ended December 31, 2019. This is due primarily to the interest pertaining to the of lease liabilities recognized due to the adoption of the PFRS 16 during the year.

Provision for Income Tax

Tax expense for the year ended December 31, 2019 is ₱1,182 million an increase of 14% from ₱1,038 million for the year ended December 31, 2018. This is due primarily to the higher taxable income recorded for the year.

Net Income

As a result of the foregoing, the Company's net income increased by 9% from ₱2,423 million in the year ended December 31, 2018 to ₱2,636 million in the year ended December 31, 2019.

For the year ended December 31, 2019, there were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues. Except as discussed in the notes to financial statements Events after the report date on the potential impact of the COVID-19 pandemic.

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

FINANCIAL CONDITION

As of December 31, 2019 vs. December 31, 2018

Total assets as of December 31, 2018 were ₱52,917 million compared to ₱70,626 million as of December 31, 2019, or a 33% increase. This was due to the following:

- Cash and cash equivalents including short term cash investments increased by 56% from ₱418 million as of December 31, 2018 to ₱652 million as of December 31, 2019 due to the higher cash generated from operations.
- Investments at fair value through profit/loss and other comprehensive income including non-current portion increased by 44% from ₱4,098 million as of December 31, 2018 to ₱5,907 million as of December 31, 2019 due to the recognition of the unrealized fair value gain during the year.
- Receivables, including non-current portion increased by 36% from ₱6,858 million as of December 31, 2018 to ₱9,334 million as of December 31, 2019 due to an increase in the various receivables of the company such as accounts receivable from tenants, advances to contractors and accrued rental receivables as part of the PAS 17 adjustments.
- Real estate properties for sale decreased by 6% from ₱322 million as of December 31, 2018 to ₱302 million as of December 31, 2019 due to the sale in lot inventory for the year.
- Other current assets increased by 42% from ₱2,135 million as of December 31, 2018 to ₱3,034 million as of December 31, 2019 due primarily to the increase in input value-added tax and refundable deposits.
- Property and equipment increased by 19% from ₱67 million as of December 31, 2018 to ₱80 million as of December 31, 2019 due primarily to the acquisitions of property and equipment made during the year.

- Investment properties increased by 36% from ₦35,316 million as of December 31, 2018 to ₦47,855 million as of December 31, 2019. The increase was due primarily to the additions to commercial developments, acquisition of land for commercial development during the year and the recognition of the Right of use asset in accordance with the adoption of PFRS 16.
- Other non-current assets decreased by 21% from ₦852 million as of December 31, 2018 to ₦674 million as of December 31, 2019 due to the decrease in cash restricted for use.

Total liabilities as of December 31, 2018 were ₦30,675 million compared to ₦44,484 million as of December 31, 2019, or a 45% increase. This was due to the following:

- Security deposits and advance rent increased by 29% from ₦545 million as of December 31, 2018 to ₦703 million as of December 31, 2019 due to the additional deposits from lessees for new malls and offices.
- Payable to parent company increased by 52% from ₦18,377 million as of December 31, 2018 to ₦27,854 million as of December 31, 2019 due to advances from parent company made during the year.
- Income tax payable decreased by 36% from ₦64 million as of December 31, 2018 to ₦41 million as of December 31, 2019 due to the settlements made during the year.
- Bank Loans, including non-current portion decreased by 27% from ₦5,856 million as of December 31, 2018 to ₦4,298 million as of December 31, 2019 due to payments made during the year.
- Lease liabilities increased by 100% from nil as of December 31, 2018 to ₦3,964 million as of December 31, 2019 due to the adoption of PFRS 16.
- Pension liabilities increased by 7% from ₦49 million as of December 31, 2018 to ₦52 million as of December 31, 2019 due to actuarial adjustments.
- Deferred tax liabilities – net posted an increase of 36% from ₦2,307 million as of December 31, 2018 to ₦3,140 million as of December 31, 2019 due to the increase in temporary differences for the period that will eventually result to future tax liability.
- Other non-current liabilities increased by 99% from ₦1,015 million as of December 31, 2018 to ₦2,024 million as of December 31, 2019 due to the increase retentions payable, advance rent and payable to contractors.

Total stockholder's equity increased by 18% from ₦22,241 million as of December 31, 2018 to ₦26,143 million as of December 31, 2019 due to the earnings recorded for the year.

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

Key Performance Indicators	12/31/2019	12/31/2018
Current ratio ^(a)	0.28:1	0.41:1
Liability-to-equity ratio ^(b)	1.70:1	1.38:1
Interest coverage ^(c)	17.82	10.60
Return on assets ^(d)	3.7%	4.6%
Return on equity ^(e)	10.1%	10.9%

Notes:

- (f) *Current Ratio: This ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.*
- (g) *Liability-to-equity ratio: This ratio is obtained by dividing the Company's Total Liabilities by its Total Equity. The ratio reveals the proportion of debt and equity a company is using to finance its business. It also measures a company's borrowing capacity.*
- (h) *Interest coverage: This ratio is obtained by dividing earnings before interest, taxes depreciation and amortization (EBITDA) by the total interest paid. This ratio shows whether a company is earning enough profits before interest to pay its interest cost comfortably.*
- (i) *Return on assets: This ratio is obtained by dividing the Company's net income (net of income from acquisition of subsidiary) by its total assets. This measures the Company's earnings in relation to all of the resources it had at its disposal.*
- (j) *Return on equity: This ratio is obtained by dividing the Company's net income (net of income from acquisition of subsidiary) by its total equity. This measures the rate of return on the ownership interest of the Company's stockholders.*

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, 2019 decreased from that of December 31, 2018 due increase in current liability from security deposits and advance rent and payable to related parties company classified as current.

The increase in liability-to-equity ratio was due to the increase in payable to related parties and the recognition of lease liabilities under PFRS 16.

Interest coverage for the year ended December 31, 2019 increased because of the higher EBITDA and lower interest paid for the year.

Return on asset decreased as of December 31, 2019 compared to that as of December 31, 2018 due to higher increase in total assets for the year compared to the growth in net income.

Return on equity slightly decreased due to the higher increase in total equity for the year compared to the growth in net income.

Material Changes to the Company's Balance Sheet as of December 31, 2019 compared to December 31, 2018 (increase/decrease of 5% or more)

Cash and cash equivalents including short term cash investments increased by 56% from ₱418 million as of December 31, 2018 to ₱652 million as of December 31, 2019 due to the higher cash generated from operations.

Investments at fair value through profit/loss and other comprehensive income including non-current portion increased by 44% from ₱4,098 million as of December 31, 2018 to ₱5,907 million as of December 31, 2019 due to the recognition of the unrealized fair value gain during the year.

Receivables, including non-current portion increased by 36% from ₱6,858 million as of December 31, 2018 to ₱9,334 million as of December 31, 2019 due to an increase in the various receivables of the company such as accounts receivable from tenants, advances to contractors and accrued rental receivables as part of the PAS 17 adjustments.

Real estate properties for sale decreased by 6% from ₱322 million as of December 31, 2018 to ₱302 million as of December 31, 2019 due to the sale in lot inventory for the year.

Other current assets increased by 42% from ₱2,135 million as of December 31, 2018 to ₱3,034 million as of December 31, 2019 due primarily to the increase in input value-added tax and refundable deposits.

Property and equipment increased by 19% from ₱67 million as of December 31, 2018 to ₱80 million as of December 31, 2019 due primarily to the acquisitions of property and equipment made during the year.

Investment properties increased by 36% from ₱35,316 million as of December 31, 2018 to ₱47,855 million as of December 31, 2019. The increase was due primarily to the additions to commercial developments, acquisition of land for commercial development during the year and the recognition of the Right of use asset in accordance with the adoption of PFRS 16.

Other non-current assets decreased by 21% from ₱852 million as of December 31, 2018 to ₱674 million as of December 31, 2019 due to the decrease in cash restricted for use.

Security deposits and advance rent increased by 29% from ₱545 million as of December 31, 2018 to ₱703 million as of December 31, 2019 due to the additional deposits from lessees for new malls and offices.

Payable to parent company increased by 52% from ₱18,377 million as of December 31, 2018 to ₱27,854 million as of December 31, 2019 due to advances from parent company made during the year.

Income tax payable decreased by 36% from ₱64 million as of December 31, 2018 to ₱41 million as of December 31, 2019 due to the settlements made during the year.

Bank Loans, including non-current portion decreased by 27% from ₱5,856 million as of December 31, 2018 to ₱4,298 million as of December 31, 2019 due to payments made during the year.

Lease liabilities increased by 100% from nil as of December 31, 2018 to ₱3,964 million as of December 31, 2019 due to the adoption of PFRS 16.

Pension liabilities increased by 7% from ₱49 million as of December 31, 2018 to ₱52 million as of December 31, 2019 due to actuarial adjustments

Deferred tax liabilities – net posted an increase of 36% from ₱2,307 million as of December 31, 2018 to ₱3,140 million as of December 31, 2019 due to the increase in temporary differences for the period that will eventually result to future tax liability.

Other non-current liabilities increased by 99% from ₱1,015 million as of December 31, 2018 to ₱2,024 million as of December 31, 2019 due to the increase retentions payable, advance rent and payable to contractors.

Material Changes to the Company's Statement of income for the year ended December 31, 2019 compared to the year ended December 31, 2018 (increase/decrease of 5% or more)

Rental income increased from ₱5,674 million for the year ended December 31, 2018 to ₱6,730 million for the year ended December 31, 2019. The 19% increase was due to the primarily to the additional leasable space for the year, increase in occupancy of the existing malls and increase in the rental rate.

Parking fee revenue increased from ₱159 million for the year ended December 31, 2018 to ₱185 million for the year ended December 31, 2019. The 17% increase was due to higher number of vehicles using the mall parking space and additional parking space from new malls opened during the year.

Other operating income increased from ₱453 million for the year ended December 31, 2018 to ₱559 million for the year ended December 31, 2019. The 23% increase was due to increase in other fees charged to tenants such as billboards and other collaterals classified as other operating income.

Increase in depreciation and amortization by 56% from ₱998 million for the year ended December 31, 2018 to ₱1,559 million for the year ended December 31, 2019 due to additional depreciation from the newly opened malls and corporate building.

Increase in light and power by 28% from ₱409 million for the year ended December 31, 2018 to ₱522 million for the year ended December 31, 2019 due to the increase in the consumption in light and power as a result of the additional mall openings during the year as well as increase the rate of utilities charged during the period.

Increase in outside services by 16% from ₱347 million for the year ended December 31, 2018 to ₱403 million for the year ended December 31, 2019 due to the increase in manpower and agency fees for the operations of the malls and office buildings as a result of the new openings for the year.

Increase in salaries and employee benefits by 5% from ₱244 million for the year ended December 31, 2018 to ₱256 million for the year ended December 31, 2019 due to the increase in manpower for the operations and management of the new and existing malls and office buildings.

Increase in taxes and licenses by 32% from ₱174 million for the year ended December 31, 2018 to ₱230 million for the year ended December 31, 2019 due to higher taxes paid during the year.

Increase in repairs and maintenance by 17% from ₱148 million for the year ended December 31, 2018 to ₱173 million for the year ended December 31, 2019 due to the various refurbishments of the company's older malls and office building.

Increase in advertising and promotions by 8% from ₱76 million for the year ended December 31, 2018 to ₱82 million for the year ended December 31, 2019 due to increase in advertorials for the marketing and promotion of the malls especially the newly opened ones.

Increase in insurance by 11% from ₱30 million for the year ended December 31, 2018 to ₱34 million for the year ended December 31, 2019 due to the additional insurance obtained by the Company for its new malls and office buildings.

Increase in professional fees by 16% from ₱17 million for the year ended December 31, 2018 to ₱19 million for the year ended December 31, 2019 as a result of lower professional fees paid in 2018.

Decrease in rentals by 96% from ₱299 million for the year ended December 31, 2018 to ₱11 million for the year ended December 31, 2019 due to the adoption of PFRS 16 which recognized the amortization of right-of-use asset against the previously recognized rent expense.

Increase in other operating expenses by 133% from ₱67 million for the year ended December 31, 2018 to ₱156 million for the year ended December 31, 2019 due to increase in representation and entertainment, training, registration fees and miscellaneous for the year.

Interest income decrease from ₱42 million for the year ended December 31, 2018 to ₱26 million for the year ended December 31, 2019. The 39% decrease resulted from the lower interest earned from in cash in banks, investments and receivables of the company for the year.

Interest expense increase by 343% from ₱54 million in the year ended December 31, 2018 to ₱238 million in the year ended December 31, 2019. This is due primarily to the interest pertaining to the of lease liabilities recognized due to the adoption of the PFRS 16 during the year.

Tax expense for the year ended December 31, 2019 is ₱1,182 million an increase of 14% from ₱1,038 million for the year ended December 31, 2018. This is due primarily to the higher taxable income recorded for the year.

Net income increased by 9% from ₱2,423 million in the year ended December 31, 2018 to ₱2,636 million in the year ended December 31, 2019.

For the year ended December 31, 2019, there were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues. Except as discussed in the notes to financial statements Events after the report date on the potential impact of the COVID-19 pandemic.

REVIEW OF YEAR END 2018 VS YEAR END 2017

RESULTS OF OPERATIONS

Revenues

Operating revenue

Operating revenue increased from ₱5,297 million in the year ended December 31, 2017 to ₱6,286 million in the year ended December 31, 2018. The 19% increase in the account was primarily attributable to the following:

- Rental income increased from ₱4,799 million for the year ended December 31, 2017 to ₱5,674 million for the year ended December 31, 2018. The 18% increase was due to the primarily to the additional leasable space for the year, increase in occupancy of the existing malls and increase in the rental rate.
- Parking fee revenue decreased from ₱117 million in the year ended December 31, 2017 to ₱159 million for the year ended December 31, 2018. The 36% increase was due to higher number of vehicles using the mall parking space and additional parking space from new malls opened during the year.
- Other operating income increased from ₱381 million for the year ended December 31, 2017 to ₱453 million for the year ended December 31, 2018. The 19% increase was due to increase in other fees charged to tenants such as billboards and other collaterals classified as other operating income.

Costs and Expenses

Operating Expenses

Cost and expenses increased from ₱2,332 million for the year ended December 31, 2017 to ₱2,809 million for the year ended December 31, 2018. The 20% increase in the account was primarily attributable to the following:

- Increase in depreciation and amortization by 5% from ₱950 million for the year ended December 31, 2017 to ₱998 million for the year ended December 31, 2018 due to additional depreciation from the newly opened malls and corporate building.
- Increase in light and power by 6% from ₱387 million for the year ended December 31, 2017 to ₱409 million for the year ended December 31, 2018 due to the increase in the consumption in light and power as a result of the additional mall openings during the year as well as increase the rate of utilities charged during the period.
- Increase in outside services by 24% from ₱279 million for the year ended December 31, 2017 to ₱347 million for the year ended December 31, 2018 due to the increase in manpower and agency fees for the operations of the malls and office buildings as a result of the new openings for the year.
- Increase in salaries and employee benefits by 31% from ₱186 million for the year ended December 31, 2017 to ₱244 million for the year ended December 31, 2018 due to the

increase in manpower for the operations and management of the new and existing malls and office buildings.

- Increase in rentals by 123% from ₱134 million for the year ended December 31, 2017 to ₱299 million for the year ended December 31, 2018 due primarily to the new malls opened on leased properties and to the annual escalations of the rental rates of existing leased properties.
- Increase in taxes and licenses by 33% from ₱131 million for the year ended December 31, 2017 to ₱174 million for the year ended December 31, 2018 due to higher taxes paid during the year.
- Increase in repairs and maintenance by 54% from ₱96 million for the year ended December 31, 2017 to ₱148 million for the year ended December 31, 2018 due to the various refurbishments of the company's older malls and office building.
- Increase in advertising and promotions by 55% from ₱49 million for the year ended December 31, 2017 to ₱76 million for the year ended December 31, 2018 due to increase in advertorials for the marketing and promotion of the malls especially the newly opened ones.
- Increase in insurance by 7% from ₱28 million for the year ended December 31, 2017 to ₱30 million for the year ended December 31, 2018 due to the additional insurance obtained by the Company for its new malls and office buildings.
- Decrease in professional fees by 23% from ₱22 million for the year ended December 31, 2017 to ₱17 million for the year ended December 31, 2018 as a result of lower professional fees paid in 2018.
- Decrease in other operating expenses by 6% from ₱71 million for the year ended December 31, 2017 to ₱67 million for the year ended December 31, 2018 due to decrease in representation and entertainment, training, registration fees and miscellaneous for the year.

Interest Income

Interest income increase from ₱25 million for the year ended December 31, 2017 to ₱42 million for the year ended December 31, 2018. The 68% increase resulted from the higher interest earned from in cash in banks, investments and receivables of the company for the year.

Interest Expense

Interest expense increase by 20% from ₱45 million in the year ended December 31, 2017 to ₱54 million in the year ended December 31, 2018. This is due primarily to the lower capitalization for the year as some of the malls are already operating.

Provision for Income Tax

Tax expense for the year ended December 31, 2018 is ₱1,038 million an increase of 17% from ₱884 million for the year ended December 31, 2017. This is due primarily to the higher taxable income recorded for the year.

Net Income

As a result of the foregoing, the Company's net income increased by 18% from ₱2,061 million in the year ended December 31, 2017 to ₱2,422 million in the year ended December 31, 2018.

For the year ended December 31, 2018, 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.

FINANCIAL CONDITION

As of December 31, 2018 vs. December 31, 2017

Total assets as of December 31, 2017 were ₱45,330 million compared to ₱52,917 million as of December 31, 2018, or a 17% increase. This was due to the following:

- Cash and cash equivalents including short term cash investments decreased by 27% from ₱572 million as of December 31, 2017 to ₱418 million as of December 31, 2018 due to the higher disbursements made for the construction of new malls.
- Available for sale financial assets in December 31, 2017, now classified as Investments at fair value through profit/loss and other comprehensive income including non-current portion decreased by 10% from ₱4,544 million as of December 31, 2017 to ₱4,098 million as of December 31, 2018 due to lower market value of the AFS held by the Group.
- Receivable from related parties, including non-current portion increased by 27% from ₱16,670 million as of December 31, 2017 to ₱21,228 million as of December 31, 2018 due to advances received during the year.
- Prepayments and other current assets increased by 45% from ₱1,473 million as of December 31, 2017 to ₱2,135 million as of December 31, 2018 due to the increase in prepayments and creditable withholding taxes.
- Property and equipment increased by 29% from ₱52 million as of December 31, 2017 to ₱67 million as of December 31, 2018 due primarily to the acquisitions of property and equipment made during the year.
- Investment properties increased by 38% from ₱25,581 million as of December 31, 2017 to ₱35,316 million as of December 31, 2018. The increase was due to the construction and development of new malls for the year.
- Other non-current assets decreased by 18% from ₱1,039 million as of December 31, 2017 to ₱852 million as of December 31, 2018 due to the decrease in cash restricted for use.

Total liabilities as of December 31, 2017 were ₱24,710 million compared to ₱30,675 million as of December 31, 2018, or a 24% increase. This was due to the following:

- Trade and other payables increased by 26% from ₱1,917 million as of December 31, 2017 to ₱2,424 million as of December 31, 2018 due to increase in accrued expenses, retention payable, deferred output VAT and payable to contractors for the construction and development of new projects.
- Payable to related parties increased by 54% from ₱11,915 million as of December 31, 2017 to ₱18,377 million as of December 31, 2018 due to advances from parent company made during the year.
- Interest bearing loans and borrowings, including non-current portion decreased by 22% from ₱7,530 million as of December 31, 2017 to ₱5,857 million as of December 31, 2018 due to payments made during the year.
- Deferred tax liabilities – net posted an increase of 51% from ₱1,530 million as of December 31, 2017 to ₱2,307 million as of December 31, 2018 due to the increase in temporary differences for the period that will eventually result to future tax liability.
- Other non-current liabilities decreased by 12% from ₱907 million as of December 31, 2017 to ₱802 million as of December 31, 2018 due to the settlements for the period.

Total stockholder's equity increased by 8% from ₱20,620 million as of December 31, 2017 to ₱22,242 million as of December 31, 2018 due to the earnings for the year.

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

Key Performance Indicators	12/31/2018	12/31/2017
Current ratio ^(a)	0.41:1	0.77:1
Liability-to-equity ratio ^(b)	1.38:1	1.20:1
Interest coverage ^(c)	10.60	8.91
Return on assets ^(d)	4.6%	4.6%
Return on equity ^(e)	10.9%	10.0%

Notes:

(a) Current Ratio: This ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.

(b) Liability-to-equity ratio: This ratio is obtained by dividing the Company's Total Liabilities by its Total Equity. The ratio reveals the proportion of debt and equity a company is using to finance its business. It also measures a company's borrowing capacity.

(c) Interest coverage: This ratio is obtained by dividing earnings before interest, taxes depreciation and amortization (EBITDA) by the total interest paid. This ratio shows whether a company is earning enough profits before interest to pay its interest cost comfortably.

(d) Return on assets: This ratio is obtained by dividing the Company's net income (net of income from acquisition of subsidiary) by its total assets. This measures the Company's earnings in relation to all of the resources it had at its disposal.

(e) Return on equity: This ratio is obtained by dividing the Company's net income (net of income from acquisition of subsidiary) by its total equity. This measures the rate of return on the ownership interest of the Company's stockholders.

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, 2018 decreased from that of December 31, 2017 due increase in current liability from trade and other payables and payable to related parties company classified as current.

The increase in liability-to-equity ratio was due to the increase in payable to related parties.

Interest coverage for the year ended December 31, 2018 increased because of the higher EBITDA and lower interest paid for the year.

Return on asset increased as of December 31, 2018 compared to that as of December 31, 2017 due to higher income in 2018.

Return on equity is increased as a result of higher income made in 2018.

Material Changes to the Company's Balance Sheet as of December 31, 2018 compared to December 31, 2017 (increase/decrease of 5% or more)

Cash and cash equivalents including short term cash investments decreased by 27% from ₱572 million as of December 31, 2017 to ₱418 million as of December 31, 2018 due to the higher disbursements made for the construction of new malls.

Available for sale financial assets in December 31, 2017, now classified as Investments at fair value through profit/loss and other comprehensive income including non-current portion decreased by 10% from ₱4,544 million as of December 31, 2017 to ₱4,098 million as of December 31, 2018 due to lower market value of the AFS held by the Group.

Receivable from related parties, including non-current portion increased by 27% from ₱16,670 million as of December 31, 2017 to ₱21,228 million as of December 31, 2018 due to advances made during the year.

Prepayments and other current assets increased by 45% from ₱1,473 million as of December 31, 2017 to ₱2,135 million as of December 31, 2018 due to the increase in prepayments and creditable withholding taxes.

Property and equipment increased by 29% from ₱52 million as of December 31, 2017 to ₱67 million as of December 31, 2018 due primarily to the acquisitions of equipments made during the year.

Investment properties increased by 38% from ₱25,581 million as of December 31, 2017 to ₱35,316 million as of December 31, 2018. The increase was due to the construction and development of new malls for rent for the year.

Other non-current assets decreased by 18% from ₱1,039 million as of December 31, 2017 to ₱852 million as of December 31, 2018 due to the decrease in cash restricted for use.

Trade and other payables increased by 26% from ₱1,917 million as of December 31, 2017 to ₱2,424 million as of December 31, 2018 due to increase in accrued expenses, retention payable, deferred output VAT and payable to contractors for the construction and development of new projects.

Payable to related parties increased by 54% from ₱11,915 million as of December 31, 2017 to ₱18,377 million as of December 31, 2018 due to advances from parent company made during the year.

Interest bearing loans and borrowings, including non-current portion decreased by 22% from ₱7,530 million as of December 31, 2017 to ₱5,857 million as of December 31, 2018 due to payments made during the year.

Deferred tax liabilities – net posted an increase of 51% from ₱1,530 million as of December 31, 2017 to ₱2,307 million as of December 31, 2018 due to the increase in temporary differences for the period that will eventually result to future tax liability

Other non-current liabilities decreased by 12% from ₱907 million as of December 31, 2017 to ₱802 million as of December 31, 2018 due to the settlements for the period.

Material Changes to the Company's Statement of income for the year ended December 31, 2018 compared to the year ended December 31, 2017 (increase/decrease of 5% or more)

Rental income increased from ₱4,799 million for the year ended December 31, 2017 to ₱5,674 million for the year ended December 31, 2018. The 18% increase was due to the primarily to the additional leasable space for the year, increase in occupancy of the existing malls and increase in the rental rate.

Parking fee revenue increased from ₱117 million for the year ended December 31, 2017 to ₱159 million for the year ended December 31, 2018. The 36% increase was due to higher number of vehicles using the mall parking space and additional parking space from new malls opened during the year.

Other operating income increased from ₱381 million for the year ended December 31, 2017 to ₱453 million for the year ended December 31, 2018. The 19% increase was due to increase in other fees charged to tenants such as billboards and other collaterals classified as other operating income.

Increase in depreciation and amortization by 5% from ₱950 million for the year ended December 31, 2017 to ₱998 million for the year ended December 31, 2018 due to additional depreciation from the newly opened malls and corporate building.

Increase in light and power by 6% from ₱387 million for the year ended December 31, 2017 to ₱409 million for the year ended December 31, 2018 due to the increase in the consumption in light and power as a result of the additional mall openings during the year as well as increase the rate of utilities charged during the period.

Increase in outside services by 24% from ₱279 million for the year ended December 31, 2017 to ₱347 million for the year ended December 31, 2018 due to the increase in manpower and agency fees for the operations of the malls and office buildings as a result of the new openings for the year.

Increase in salaries and employee benefits by 31% from ₱186 million for the year ended December 31, 2017 to ₱244 million for the year ended December 31, 2018 due to the increase in manpower for the operations and management of the new and existing malls and office buildings.

Increase in rentals by 123% from ₱134 million for the year ended December 31, 2017 to ₱299 million for the year ended December 31, 2018 due primarily to the new malls opened on leased properties and to the annual escalations of the rental rates of existing leased properties.

Increase in taxes and licenses by 33% from ₱131 million for the year ended December 31, 2017 to ₱174 million for the year ended December 31, 2018 due to higher taxes paid during the year.

Increase in repairs and maintenance by 54% from ₱96 million for the year ended December 31, 2017 to ₱148 million for the year ended December 31, 2018 due to the various refurbishments of the company's older malls and office building.

Increase in advertising and promotions by 55% from ₱49 million for the year ended December 31, 2017 to ₱76 million for the year ended December 31, 2018 due to increase in advertorials for the marketing and promotion of the malls especially the newly opened ones.

Increase in insurance by 7% from ₱28 million for the year ended December 31, 2017 to ₱30 million for the year ended December 31, 2018 due to the additional insurance obtained by the Company for its new malls and office buildings.

Decrease in professional fees by 23% from ₱22 million for the year ended December 31, 2017 to ₱17 million for the year ended December 31, 2018 as a result of lower professional fees paid in 2018.

Decrease in other operating expenses by 6% from ₱71 million for the year ended December 31, 2017 to ₱67 million for the year ended December 31, 2018 due to decrease in representation and entertainment, training, registration fees and miscellaneous for the year.

Interest income increase from ₱25 million for the year ended December 31, 2017 to ₱42 million for the year ended December 31, 2018. The 68% increase resulted from the higher interest earned from cash in banks of the company for the year.

Interest expense increase by 20% from ₱45 million in the year ended December 31, 2017 to ₱54 million in the year ended December 31, 2018. This is due primarily to the lower capitalization for the year.

Tax expense for the year ended December 31, 2018 is ₱1,038 million an increase of 17% from ₱884 million for the year ended December 31, 2017. This is due primarily to the higher taxable income recorded for the year.

There are no other material changes in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition on the Company.

COMMITMENTS AND CONTINGENCIES

The Parent Company's subsidiaries are 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.

The Company is contingently liable with respect to certain lawsuits and other claims which are being contested by the subsidiaries and their legal counsels. Management and their legal counsels believe that the final resolution of these claims will not have a material effect on the consolidated financial statements.

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 a mix of internally generated cash, sale of liquid assets like installment contracts receivables, pre-selling and joint venture undertakings. 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 Consolidated Financial Statements as of and for the years ended December 31, 2018, 2019 and 2020.

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 Consolidated Financial Statements as of and for the years ended December 31, 2018, 2019 and 2020.

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

Vistamalls Inc. (the "Company"), formerly Starmalls, Inc., was incorporated in Metro Manila, Philippines, on October 16, 1969 originally to pursue mineral exploration. After obtaining SEC approval in 2004, the Company changed its primary business and is now presently engaged in investment and real estate business.

On May 3, 2016, by a majority vote of the BOD and on June 27, 2016, as approved by the Stockholders, the Company shall exist for another period of fifty (50) years from October 25, 2019. On the same dates, the BOD and Stockholders approved that the place where the principal office of the Company is to be established at the Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daang Hari, Almanza II, Las Piñas City. The SEC approved the Company's application for the following amendments on September 30, 2016.

On May 02, 2019, the Company's BOD authorized the change in name of the Company from Starmalls, Inc. to Vistamalls, Inc. The SEC approved the Company's application for the change in name on September 17, 2019.

The Company's subsidiaries include the following:

- **Masterpiece Asia Properties Inc. (MAPI).** MAPI is currently in the operations and development of commercial properties for lease.
- **Manuela Corporation (MC).** MC is currently in the operations and development of commercial properties for lease.

The Company and its subsidiaries are hereinafter collectively referred to as the Group. All subsidiaries were incorporated in the Philippines.

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

Market Information

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

Quarter	2021			2020			2019			2018		
	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close
1 st	4.34	3.70	3.80	5.93	3.12	3.61	7.20	5.36	6.74	25.85	8.10	15.88
2 nd				4.10	3.50	3.78	7.12	6.10	6.40	17.40	6.95	6.95
3 rd				4.09	3.60	3.68	6.45	5.58	5.84	7.84	6.27	6.57
4 th				5.09	3.56	4.24	5.82	4.96	5.66	7.98	3.94	5.40

The market capitalization of STR as of December 31, 2020, based on the closing price of ₱4.24 per share, was approximately ₱35.73 billion.

As of March 31, 2021, STR's market capitalization stood at ₱32.02 billion based on the ₱3.80 per share closing price.

Price Information as of the Latest Practicable Trading Date

<u>Trading Date</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
14 May 2021	3.83	3.65	3.82

Stockholders*Common Shares*

There are approximately 436 holders of common equity security of the Company as of April 30, 2021 (based on the number of accounts registered with the Stock Transfer Agent). As of April 30, 2021, the following are the top 20 holders of the common securities of the Company:

	Stockholders Name	No. of Common Shares	Percentage (of Common Shares)⁸
1.	VISTA LAND & LIFESCAPES, INC. ⁹	7,443,192,641	88.34%
2.	LAND AND HOUSES PUBLIC COMPANY LIMITED	808,431,465	9.59%
3.	FINE PROPERTIES, INC. ⁷	114,877,955	1.36%
4.	PCD NOMINEE CORPORATION (FILIPINO)	50,828,692	0.60%
5.	PCD NOMINEE CORPORATION (FOREIGN)	3,096,304	0.04%
6.	PETER O. TAN	1,798,000	0.02%
7.	PETER TAN &/OR MARILOU TAN	1,524,000	0.02%
8.	ORION-SQUIRE CAPITAL, INC.	82,000	0.00%
9.	ORION-SQUIRE SEC., INC.	77,900	0.00%
10.	CUA, ANG & CHUA SECURITIES INC.	66,000	0.00%
11.	DEES SECURITIES CORP.	60,715	0.00%
12.	PAIC SECURITIES CORPORATION	60,400	0.00%
13.	TANSENGCO & CO., INC.	56,000	0.00%
14.	ANSALDO, GODINEZ & CO., INC.	54,286	0.00%
15.	FINVEST SEC. CO., INC.	50,000	0.00%
16.	MARIO OSMENA JR.	50,000	0.00%
17.	BENITO PENALOSA	50,000	0.00%
18.	GILBERT M. TIU	40,000	0.00%
19.	OH SIONG YU	39,942	0.00%
20.	BABES OJALES	39,000	0.00%
	Total	8,424,475,300	99.98%
	Others	1,505,856	0.02%
	Total issued and outstanding common shares as of April 30, 2021	8,425,981,156	100.00%

⁸ based on the total shares issued of 8,425,981,156

⁹ Lodged under PCD Nominee Corporation (Filipino)

Preferred Shares

As of April 30, 2021, there is only one (1) holder of the preferred shares of the Company:

	Stockholders Name	No. of Preferred Shares	Percentage (of Preferred Shares)
1.	Fine Properties, Inc.	2,350,000,000	100.00%
	Total issued and outstanding preferred shares as of April 30, 2021	2,350,000,000	100.00%

Dividends

₱0.0156 per share Regular Cash Dividend

Declaration Date: September 30, 2020

Record date: October 15, 2020

Payment date: October 30, 2020

₱0.0571 per share Regular Cash Dividend

Declaration Date: September 30, 2019

Record date: October 15, 2019

Payment date: October 30, 2019

₱0.0489 per share Regular Cash Dividend

Declaration Date: September 26, 2018

Record date: October 11, 2018

Payment date: October 25, 2018

₱0.0368 per share Regular Cash Dividend

Declaration Date: September 27, 2017

Record date: October 12, 2017

Payment date: October 26, 2017

₱0.0215 per share Regular Cash Dividend

Declaration Date: September 26, 2016

Record date: October 11, 2016

Payment date: October 26, 2016

Dividend Policy

The Registrant's Board is authorized to declare dividends. A cash dividend declaration does not require any further approval from the Registrant's shareholders. A stock dividend declaration requires the further approval of shareholders representing not less than two-thirds of the Registrant's outstanding capital stock. Dividends may 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 Registrant is allowed under Philippine laws to declare property and stock dividends, subject to certain requirements.

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, provided however, that the set record date is not to be less than 10 trading days from receipt by the PSE of the notice of declaration of stock dividend. 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 in the past three years.

Stock Options

None.

VI. COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

The Company's Board has adopted a Revised Manual on Corporate Governance. The Company's Revised 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.

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 14th May 2021.

By:

MA. NALEN S.J. ROSERO
Corporate Secretary

