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THE PHILIPPINE STOCK EXCHANGE, INC. (THE “PSE”) ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF STATEMENTS MADE, OR THE OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. THE PSE MAKES NO REPRESENTATION AS TO THE COMPLETENESS OF THE PROSPECTUS AND DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS ARISING FROM OR IN RELIANCE, IN FULL OR IN PART, OF THE CONTENTS OF THE PROSPECTUS

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

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This Preliminary Prospectus and the information contained herein are subject to completion or amendment without notice. The Offer Shares may not be sold nor may an offer to buy be accepted prior to the time that the Preliminary Prospectus is issued in final form. Under no circumstances shall this Preliminary Prospectus constitute an offer to sell or the solicitation of an offer to buy any Offer Shares nor shall there be any offer, solicitation or sale of the Offer Shares in any jurisdiction.



Offer of up to [336,000,000] Primary Common Shares and up to [24,000,000] Secondary Common Shares

With an Over-allotment Option of up to [36,000,000] Secondary Common Shares

Offer Price of up to [P5.60] per Share

To be listed and traded on the Main Board of The Philippine Stock Exchange, Inc.

Sole Issue Manager, Lead Underwriter and Sole Bookrunner



Selling Agents

The Trading Participants of The Philippine Stock Exchange, Inc.

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

The date of this Preliminary Prospectus is [April 24], 2023.

OVIALAND, INC.

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Filinvest, Alabang Muntinlupa City, Philippines
Telephone no. (02)8808-7257
<https://www.ovialand.com/>

This Preliminary Prospectus (“**Prospectus**”) relates to the offer and sale of up to [336,000,000] primary common shares and up to [24,000,000] secondary common shares (the “**Firm Offer**”, and such shares, the “**Firm Shares**”), with an Over-allotment Option (as defined below) of up to [36,000,000] secondary common shares (the “**Option Shares**”) (collectively, the Firm Shares and the Option Shares are referred to as the “**Offer Shares**”), each with a par value of ₱0.50 per share (the “**Shares**”, or the “**Common Shares**”), of Ovialand, Inc., a corporation organized under Philippine law (the “**Company**”, the “**Issuer**”, or, “**Ovialand**”). The Firm Shares will comprise up to [336,000,000] new Common Shares to be issued and offered by the Company out of its authorized capital stock by way of a primary offer and up to [24,000,000] Secondary Common Shares of Januarius Holdings Inc. (“**Januarius**”) while the Option Shares will comprise up to [36,000,000] issued shares comprised of up to [28,800,000] Secondary Common Shares of 1802 SJ Holdings Inc. and up to [7,200,000] Secondary Common Shares of Januarius Holdings Inc. (the “**Selling Shareholders**”) to be offered by way of a secondary offer. The offer of the Offer Shares is referred to herein as the “**Offer**.”

Ovialand, Inc., founded in 2014, is a fast-growing real estate developer focused on-pioneering the massive potential in the premium affordable housing market. The Company’s vision is to be a top real estate brand for emerging generations of aspirational and discerning customers across the country. With this, it aims to develop distinctive and well-situated developments that create and deliver a unique home ownership and community living experience for its homebuyers through its Brand Mission of “Premier Family Living”. As of the date of this Prospectus, the Company has an authorized capital stock of ₱1,000,000,000.00 divided into 1,800,000,000 common shares with a par value of ₱0.50 per share and 100,000 preferred shares with a par value of ₱1,000.00 per share, of which 870,000,000 common shares are issued and outstanding.

The Offer Shares will be offered at a price of up to ₱[5.60] per Offer Share (the “**Offer Price**”). The determination of the Offer Price is further discussed in the section entitled “*Determination of the Offer Price*” on page [52] of this Prospectus and is based on a book-building process and discussions among the Company, the Selling Shareholders, and SB Capital Investment Corporation (“**SB Capital**”, or the “**Sole Issue Manager, Lead Underwriter and Sole Bookrunner**”). After the completion of the Offer and assuming full exercise of the Over-allotment Option, the Company will have a total of [1,206,000,000] issued and outstanding Common Shares.

The Common Shares will be listed and traded on the Main Board of The Philippine Stock Exchange, Inc. (the “**PSE**”) under the trading symbol “**OLI**”.

Pursuant to the approval of the Securities and Exchange Commission (the “**SEC**”) dated [●], the Selling Shareholders have appointed [SB Equities, Inc.] (“**[SB Equities]**”) to act as stabilizing agent (the “**Stabilizing Agent**”) in relation to the Offer. The Stabilizing Agent has an option, exercisable in whole or in part for a period beginning on the initial listing of the Offer Shares on the PSE (the “**Listing Date**”) and, if exercised, ending on a date no later than thirty (30) calendar days from and including the Listing Date, to purchase the Option Shares at the Offer Price from the Selling Shareholders, on the same terms and conditions as the Firm Shares as set forth in this Prospectus, solely to cover over-allotments, if any (the “**Over-allotment Option**”). In connection with the Offer, the Stabilizing Agent or any person acting on its behalf may over-allot the Option Shares and may effect price stabilization transactions with a view to supporting the market price of the Offer Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date (the “**Price Stabilization**”). Any stabilization activities may begin on or after the date on which adequate public disclosure of the final price of the Offer Shares is made and, if begun, may be ended at any time, but must end no later than thirty (30) calendar days from and including the Listing Date. Any stabilization activities shall be done in compliance with all applicable laws, rules and regulations. The total number of Shares which the Stabilizing Agent or any person acting in its behalf may purchase to undertake Price Stabilization shall not exceed 10]% of the aggregate number of the Firm Shares. If the Stabilizing Agent commences any Price Stabilization (which would include thereafter disposing of or selling the Shares purchased), it may discontinue such activity at any time. However, the Stabilizing Agent or any person acting on its behalf has the sole discretion whether to undertake Price Stabilization, and there is no assurance that the same will be undertaken. There is also no assurance that the price of the Shares will not decline significantly before or after any such stabilizing activities end.

The estimated gross proceeds to be raised by the Company from the sale of the Firm Shares will be approximately

₱[2.02] billion. The estimated net proceeds to be raised by the Company from the sale of the Primary Shares forming part of the Firm Shares (after deducting from the gross proceeds the estimated fees and expenses of the Offer of approximately ₱[87.50] million is expected to be approximately ₱[1.79] billion. The Company intends to use the net proceeds from the Offer for land banking, construction and development expenses, and general corporate purposes.

The total proceeds from the sale of Secondary Shares by Januarius Holdings, Inc. will be ₱[134.4] million. We estimate that the net proceeds from the sale of Secondary Shares will be approximately ₱[128.9] million after deducting the applicable underwriting fees, costs and expenses pertaining to the sale of Secondary Shares. The Company will not receive any proceeds from the sale of Secondary Shares. Underwriting fees, costs and expenses pertaining to the sale of Secondary Shares will be paid by Januarius Holdings, Inc.

For a more detailed discussion of the Company's proposed use of proceeds, please see "*Use of Proceeds*" on page [44] of this Prospectus. Assuming full exercise of the Over-allotment Option, the gross proceeds to be raised by the Selling Shareholders from the sale of the Option Shares is estimated to be approximately ₱[201.60] million and the estimated net proceeds, after deducting fees and expenses payable by the Selling Shareholders is estimated to be approximately ₱[193.67] million. The Company will not receive any portion of the proceeds from the sale of a portion of the Firm Shares and Option Shares by the Selling Shareholders.

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner will receive from the Company a fee of up to [3.16]% of the gross proceeds from the sale of the Offer Shares. This is inclusive of the amounts to be paid to other participating underwriters and selling agents, where applicable, and exclusive of the amounts to be paid to the duly licensed securities brokers who are trading participants of the PSE (the "**PSE Trading Participants**") as selling agents. PSE Trading Participants who take up the Trading Participants and Retail Offer Shares (as defined below) shall be entitled to a selling fee of [1.0]%, inclusive of VAT, of the gross proceeds of the Trading Participants and Retail Offer Shares taken up and purchased by the relevant PSE Trading Participant. Any Firm Shares left unsubscribed after the Trading Participants and Retail Offer (as defined below) and the Institutional Offer (excluding Option Shares) will be firmly underwritten by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. For a more detailed discussion, please see "*Plan of Distribution*" on page [113] of this Prospectus.

Up to [108,000,000] Firm Shares (or [30%] of the Firm Shares) are being offered to all trading participants of the PSE (the "**PSE Trading Participants**") and to local small investors ("**LSIs**") under the Local Small Investors Program being implemented by the PSE ("**Trading Participants and Retail Offer**"; and the shares subject of the Trading Participants and Retail Offer, the "**Trading Participants and Retail Offer Shares**"). Out of the Trading Participants and Retail Offer Shares, up to [72,000,000] Offer Shares (or [20%] of the Firm Shares) are being allocated to all of the PSE Trading Participants (the "**Trading Participants Offer Shares**") at the Offer Price, and up to [36,000,000] Offer Shares (or [10%] of the Firm Shares) (the "**Retail Offer Shares**") are being offered to LSIs, subject to re-allocation as described below.

At least [252,000,000] Firm Shares (or 70% of the Firm Shares) (the "**Institutional Offer Shares**") are (subject to re-allocation as described below) being offered for sale to certain qualified buyers and other investors in the Philippines by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner (the "**Institutional Offer**").

The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as agreed between the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Firm Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and a corresponding over-application in the Institutional Offer, Firm Shares in the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of over-application or under-application in both the Trading Participants and Retail Offer, on the one hand, and the Institutional Offer, on the other hand.

All of the Offer Shares have, or upon issue will have, rights and privileges identical to those of the issued and outstanding Common Shares. For a detailed discussion of the rights and features of the Common Shares, including the Offer Shares, please refer to the section on "*Description of the Offer Shares*" on page [149] of this Prospectus.

The Company is authorized to declare dividends to holders of its Common Shares as of a record date set by the Company's Board of Directors ("**Board**"). Dividends may be payable, at the discretion of the Board, in cash, property, or stock. A cash or property dividend declaration requires the approval of the board and no shareholder approval is necessary. A stock dividend declaration requires the approval of the Board and shareholders representing at least two-thirds of the Company's total outstanding capital stock. The Revised Corporation Code has defined "outstanding

capital stock” as the total shares of stock issued, whether or not paid in full, except treasury shares. At the meeting of the Board held on May 5, 2022, the Board resolved to adopt a dividend policy whereby up to 50% of the net income after tax of the Company from the previous year shall be declared as dividends, subject to cash availability and operational requirements. There can be no guarantee that the Company will pay any dividends in the future. The ability to declare dividends is subject to the requirements of applicable laws, rules and regulations; the availability of unrestricted retained earnings; and circumstances which restrict the payment of dividends. Please see “*Dividends and Dividend Policy*” on page [50] of this Prospectus.

On [●], the Company filed a Registration Statement with the SEC, in accordance with the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799, the “**SRC**”) for the registration of all the issued and outstanding Shares of the Company and the Offer Shares. On [●], 2023 the SEC approved the Registration Statement and issued a Pre-Effective Letter. Upon compliance with the requirements of the Pre-Effective Letter, the Company expects the SEC to issue the Order of Registration of Securities and Certificate of Permit to Offer Securities for Sale.

The listing of the Offer Shares is subject to the approval of the PSE. On [●], 2023 the Company filed its application for the listing and trading of the issued and outstanding common shares of the Company and the Offer Shares. In its Notice of Approval dated [●], 2023 the PSE Board approved the listing application subject to compliance with certain conditions. The PSE’s approval of the listing is merely permissive and does not constitute a recommendation or endorsement of the Offer by the PSE. The PSE assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Furthermore, the PSE makes no representation as to the completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon the whole or any part of the contents of this Prospectus.

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

In making an investment decision, prospective investors are advised to carefully consider all the information in this Prospectus, including, but not limited to, the risks associated with an investment in the Offer Shares. These risks include:

1. Risks relating to the business;
2. Risks relating to the Philippines;
3. Risks relating to the Offer and the Offer Shares; and
4. Risks relating to the Presentation of Information in this Prospectus.

Please see the section entitled “*Risk Factors*” beginning on page [24] of this Prospectus, which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with an investment in the Offer Shares.

The Offer Shares are offered subject to receipt and acceptance of any order by the Company and subject to its right to reject any order in whole or in part in consultation with the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. It is expected that the Offer Shares will be delivered in book-entry form against payment thereof to the Philippine Depository & Trust Corp. (“**PDTC**”) on or about [●], 2023.

No representation or warranty, express or implied, is made by the Company, the Selling Shareholders or the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner regarding the legality of an investment in the Offer Shares under any laws, rules or regulations. No representation or warranty, express or implied, is made by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner as to the accuracy or completeness of the information herein and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner. The contents of this Prospectus are not investment, financial, legal or tax advice. Prospective investors should consult their own counsel, accountant, and other advisors as to legal, tax, business, financial and related aspects of an investment in the Offer Shares. In making any investment decision regarding the Offer Shares, prospective investors must rely on their own careful examination of the Company and the terms of the Offer, including the merits and risks involved. Furthermore, prospective investors should inform themselves of any taxation or exchange control law, rule, or regulation affecting them personally. Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Offer Shares is prohibited. Each offeree of the Offer Shares, by accepting delivery of this Prospectus, agrees to the foregoing.

THE OFFER SHARES ARE BEING OFFERED IN THE PHILIPPINES ONLY, ON THE BASIS OF THIS PROSPECTUS. ANY DECISION TO SUBSCRIBE OR PURCHASE THE OFFER SHARES MUST BE BASED ONLY ON THE INFORMATION CONTAINED HEREIN.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Company, the Selling Shareholders, and the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner. This Prospectus does not constitute an offer to sell or the solicitation of an offer to purchase any securities other than the Offer Shares or an offer to sell or the solicitation of an offer to purchase such securities by any person in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus nor any sale of the Offer Shares offered hereby shall, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof.

The information contained in this Prospectus relating to the Company and its operations has been supplied by the Company, unless otherwise stated herein. The Company has exercised due diligence to the effect that, and confirms that, after having taken reasonable care to ensure that such is the case, as of the date of this Prospectus, all information contained in this Prospectus relating to the Company and its operations is true and there is no material misstatement or omission of fact which would make any statement in this Prospectus misleading in any material respect and the Company hereby accepts full and sole responsibility for the accuracy of all material information in this Prospectus and in all documents submitted to the relevant regulators in connection with the Offer.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. The Company, the Selling Shareholders, and the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer of, or a solicitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. Each prospective purchaser of the Offer Shares must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or resells the Offer Shares or possesses and distributes this Prospectus and must obtain any consents, approvals or permissions required for the purchase, offer, sale or resale by it of the Offer Shares under the laws, rules and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or resales, and none of the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner and the Selling Shareholders or the Company shall have any responsibility therefore.

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner have exercised due diligence required by Philippine law in ascertaining that all material representations contained in this Prospectus, and any amendment or supplement thereto, are true and correct and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading in any material respect. No representation, warranty, or undertaking, express or implied, is made by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, and no responsibility or liability is accepted by the same as to the accuracy, adequacy, reasonableness, or completeness of the information and materials contained herein (excluding any and all information pertaining specifically to the Sole Issue Manager, Lead Underwriter and Sole Bookrunner) or any other information provided by the Company in connection with the Offer.

Each person contemplating an investment in the Offer Shares should exercise appropriate due diligence, conduct an independent investigation and evaluation of the financial conditions, business affairs, status, prospects and other relevant circumstances of the Company, and arrive at his or her own determination of the creditworthiness of the Company as well as the suitability and merit of investing in the Offer Shares. A person contemplating an investment in the Offer Shares should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the Offer or the nature of the risks involved in the trading of the Common Shares. Investing in the Offer Shares involves a higher degree of risk compared to an investment in debt instruments. For a discussion of certain factors to be considered in respect of an investment in the Offer Shares, please see the section "Risk Factors" beginning on page [24] of this Prospectus.

The Offer Shares may be purchased and owned by any person or entity regardless of citizenship or nationality, subject to the nationality limits prescribed under Philippine law. The Philippine Constitution and related statutes set forth restrictions on foreign ownership for companies engaged in certain activities. In particular, the Company owns land as identified in the section on "*Description of Property*" on page [111]. In connection with the ownership of private land, the Philippine Constitution states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital

is owned by such citizens. For further discussion, please refer to section on “*Regulatory and Environmental Matters*” on page [121].

The Company, together with the Selling Shareholders, reserve the right to withdraw the offer and sale of Offer Shares at any time. In consultation with the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner, the Company reserves the right to reject any commitment to subscribe for the Offer Shares in whole or in part and to allow to any prospective purchaser less than the full amount of the Offer Shares sought by such purchaser. If the Offer is withdrawn or discontinued, the Company shall subsequently notify the SEC and the PSE. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner and certain related entities may acquire for their own account a portion of the Offer Shares.

Each offeree of the Offer Shares, by accepting delivery of this Prospectus, agrees to the foregoing.

BASIS FOR CERTAIN MARKET DATA

Market data and certain industry data used throughout this Prospectus were obtained from market research, publicly available information, industry publications and on the Company's own analysis and knowledge of the markets for its products. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. Similarly, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Company and the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner makes any representation or warranty, express or implied, as to the accuracy or completeness of such information. Information in this Prospectus on the housing industry in the Philippines is from independent market research carried out by [Santos Knight Frank] ("SKF") commissioned by the Company, but should not be relied upon in making, or refraining from making, any investment decision.

The operating information used throughout this Prospectus has been calculated by the Company on the basis of certain assumptions. As a result, this operating information may not be comparable to similar operating information reported by other companies.

Please see the section entitled "*Industry Overview*" on page [105] of this Prospectus for information relating to the industry in which the Company operates.

CONVENTIONS USED IN THIS PROSPECTUS

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to the "**Company**," the "**Issuer**," and "**Ovialand**" are to Ovialand, Inc. All references to the "**BSP**" are references to Bangko Sentral ng Pilipinas, the Central Bank of the Philippines. All references to the "Government" are references to the government of the Republic of the Philippines. All references to "**Philippine Pesos**", "**Php**", and "**₱**" are to the lawful currency of the Philippines. Certain terms used herein are defined in the "**Glossary**" beginning on page [3] of this Prospectus. Any specific time of day refers to Philippine Standard Time.

PRESENTATION OF FINANCIAL INFORMATION

The Company's financial statements are reported in Philippine Pesos and are prepared based on the Company's accounting policies, which are in accordance with the Philippine Financial Reporting Standards ("**PFRS**") issued by the Financial Reporting Standards Council of the Philippines.

The financial information included in this Prospectus has been derived from the Company's financial statements. Unless otherwise indicated, financial information relating to the Company in this Prospectus is stated in accordance with PFRS.

Figures in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same item of information may vary, and figures which are totals may not be an arithmetic aggregate of their components.

Ovialand's fiscal year begins on January 1 and ends on December 31 of each year. Punongbayan & Araullo (Grant Thornton Philippines), a member firm of Grant Thornton International Ltd, has audited the financial statements as of and for the years ended December 31, 2020, December 31, 2021 and as of December 31, 2022, in accordance with Philippine Standards on Auditing ("**PSA**").

The Company appointed Punongbayan & Araullo as its independent auditors on [August 25, 2020]. Punongbayan & Araullo issued a report with an unqualified opinion on the Company's financial statements as of and for the years ended December 31, 2020, December 31, 2021 and as of December 31, 2022, respectively. For more information, please refer to the Company's audited financial statements as of and for the years ended December 31, 2020, 2021 and 2022 found in [Appendix A-1 and B-1] of this Prospectus.

PRESENTATION OF NON-PFRS FINANCIAL INFORMATION

This Prospectus includes certain non-PFRS financial measures, including EBITDA and EBITDA margin. References to "**EBITDA**" are to net profit before finance costs, taxes, depreciation and amortization. EBITDA is a supplemental measure of the Company's performance and liquidity that is not required by or presented in accordance with PFRS. Further, EBITDA is not a measurement of the Company's financial performance or liquidity under PFRS and should not be considered as an alternative to net income, revenues or any other performance measure derived in accordance

with PFRS or as an alternative to cash flow from operations or as a measure of the Company's liquidity. The Company believes that EBITDA may facilitate operating performance comparisons from period to period and from company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and book depreciation and amortization. However, as there are various EBITDA calculation methods, the Company's presentation of EBITDA may not be comparable to similarly titled measures used by other companies. "**EBITDA Margin**" is calculated as EBITDA divided by sales.

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OVIALLAND, INC.

By:

MARIE LEONORE FATIMA V. OLIVARES-VITAL

President

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

Before me, a notary public for and in the city named above, personally appeared **MARIE LEONORE FATIMA V. OLIVARES-VITAL**, with Passport No. _____ issued on _____ at _____, who was identified by me through competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this _____ at Makati City.

Doc No. _____;
Page No. _____;
Book No. _____;
Series of 2023.

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FORWARD-LOOKING STATEMENTS

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

- known and unknown risks;
- uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from expected future results; and
- performance or achievements expressed or implied by forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies, the environment in which the Company will operate in the future and current expectations and projections about future events and financial trends affecting its business. Words or phrases such as "believes," "expects," "anticipates," "intends," "plans," "foresees" or other words or phrases of similar import are intended to identify forward-looking statements. Similarly, statements that describe OviaLand's objectives, plans or goals are also forward-looking statements, and the Company gives no assurance that such forward-looking statements will prove to be correct. In light of these risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this Prospectus might not occur. Actual results could differ materially from those contemplated in the relevant forward-looking statements. Important factors that could cause some or all of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things:

- the Company's ability to successfully implement its current and future strategies;
- the Company's ability to successfully manage aggressive growth;
- changes in the Philippine housing market and the demand for the Company's housing and land developments;
- the Company's ability to maintain its reputation for on-time project completion;
- any future political instability in the Philippines;
- the condition of and changes in the Philippine, Asian or global economies;
- changes in interest rates, inflation rates and the value of the Peso against the U.S. dollar and other currencies;
- changes to the laws, including tax laws, regulations, policies and licenses applicable to or affecting the Company; and
- competition in the Philippine housing industry.

Additional factors that could cause the Company's actual results, performance or achievements to differ materially from forward-looking statements include, but are not limited to, those disclosed under "*Risk Factors*" and elsewhere in this Prospectus. These forward-looking statements speak only as of the date of this Prospectus. In light of the COVID-19 pandemic, geopolitical developments, and associated uncertainties in the global financial markets and their effect on the real economy, any forward-looking statements and forward-looking financial information contained in this Prospectus must be considered with caution and reservation. The Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based. The Company does not intend to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise, unless material within the purview of the SRC and other applicable laws, the mandate of which is to enforce investor protection. Because of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company expects, or at all. Investors should not place undue reliance on any forward-looking information. All subsequent written and oral forward-looking statements attributable to either the Issuer or persons acting on behalf of the Issuer are expressly qualified in their entirety by cautionary statements.

Should one or more of the aforementioned uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated, or projected as well as from historical results. Specifically, but without limitation, revenues could decline, costs could increase, and anticipated improvements in performance might not be realized fully or at all. Although the Company believes that the expectations of its management as reflected by forward-looking statements are reasonable based on information currently available to it, no assurances can be given that such expectations will prove to be correct. Accordingly, prospective investors are cautioned not to place undue reliance on the forward-looking statements herein.

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner does not take any responsibility for, or give any representation, warranty or undertaking in relation to, any such forward-looking statement.

GLOSSARY OF TERMS

In this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set forth below.

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| Application to Purchase | The documents to be executed and/or submitted by any Person or entity qualified to become a Shareholder offering to purchase the Offer Shares |
| Banking Day | A day, other than Saturday, Sunday or legal non-working holiday, on which facilities of the Philippine banking systems are generally open and available for clearing, and banks are open for business in Makati City, Metro Manila, Philippines |
| Beneficial Owner | <p>Any person (and “Beneficial Ownership” shall mean ownership by any person) who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting of such security; and/or investment returns or power in respect of any security, which includes the power to dispose of, or to direct the disposition of, such security; provided, however, that a person shall be deemed to have an indirect beneficial ownership interest in any security which is held by:</p> <ul style="list-style-type: none"> i. members of his immediate family sharing the same household; ii. a partnership in which he is a general partner; iii. a corporation of which he is a controlling shareholder; or iv. subject to any contract, arrangement or understanding, which gives him voting power investment or power with respect to such securities; provided, however, that the following persons or institutions shall not be deemed to be beneficial owners of securities held by them for the benefit of third parties or in customer or fiduciary accounts in the ordinary course of business, so long as such securities were acquired by such persons or institutions without the purpose or effect of changing or influencing control of the issuer: <ul style="list-style-type: none"> a. A broker dealer; b. An investment house registered under the Investment Houses Law; c. A bank authorized to operate as such by the BSP; d. An insurance company subject to the supervision of the Office of the Insurance Commission; e. An investment company registered under the Investment Company Act; f. A pension plan subject to regulation and supervision by the Bureau of Internal Revenue and/or the Securities and Exchange Commission or relevant authority; and g. A group in which all of the members are persons specified above |
| BIR | Bureau of Internal Revenue |
| Board of Directors or Board | Board of Directors of the Company |
| BOI | Board of Investments |
| B.P. 220 | Batas Pambansa Blg. 220, a Philippine statute regulating the standards and technical requirements for economic and socialized housing projects in urban and rural areas |
| BSP | <i>Bangko Sentral ng Pilipinas</i> , the central bank of the Philippines |
| Common Shares | Common shares of the Company with a par value of ₱0.50 per share |
| Company, Issuer, Ovialand | Ovialand, Inc. |

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| Congress | The Congress of the Philippines, which comprises the House of Representatives and the Senate |
| Constitution | The 1987 Philippine Constitution |
| CTS | Contract to sell, a contract generally entered into by the Company and its customers for the sale and purchase of a Mass Housing unit, the ownership of which remains with the Company until the full purchase price is paid by the customer |
| DAR | Department of Agrarian Reform |
| DHSUD | Department of Human Settlements and Urban Development |
| Economic Housing | Housing and land units priced below ₱2,500,000, as categorized by the DHSUD |
| Government | The national government of the Republic of the Philippines |
| Gross Income Margin | The Company's gross income divided by sales as described in the consolidated financial statements included in this Prospectus |
| GSIS | Government Service Insurance System |
| HLURB | Housing and Land Use Regulatory Board |
| House of Representatives | The House of Representatives of the Philippines, one of the two branches of the Congress |
| HUDCC | Housing and Urban Development Coordinating Council |
| Institutional Offer | Offer to certain qualified buyers and other investors in the Philippines by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner |
| IRO | Investor Relations Officer |
| IRRs | Implementing Rules and Regulations of the SRC, as amended |
| Listing Date | [July 4,] 2023 |
| Sole Issue Manager, Lead Underwriter and Sole Bookrunner | SB Capital Investment Corporation |
| Low-cost Housing | Housing and land units priced over ₱2,500,000 up to ₱3,000,000, as categorized by the SHDA and HUDCC |
| Maceda Law | Republic Act No. 6552, or An Act to Provide Protection to Buyers of Real Estate on Installment Payments |
| Majority Shareholders | 1802 SJ Holdings and Januarius Holdings, Inc. |
| Mass Housing | Housing units and land priced up to ₱2,500,000; this term comprises the Socialized Housing, Economic Housing and Low-cost Housing categories as defined by the SHDA and HUDCC |
| MPO | Minimum public ownership |

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| MRB | Medium-rise building, a walk-up building generally four to five stories or an elevator-equipped building of eight to 12 stories |
| Net Income Margin | The Company's net income divided by sales as described in the consolidated financial statements included in this Prospectus |
| Offer | The offer for sale, distribution, and issuance of Common Shares by the Company under the conditions as herein contained |
| Offer Period | The period when the Offer Shares are offered for sale, distribution, and issuance by the Issuer to the public commencing at 9:00 a.m. on [·] and ending at 12:00 noon on [●], or such other dates as may be determined by the Issuer and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner |
| Offer Price | Up to ₱ [5.60] per Offer Share |
| OFs | OFWs and Filipino expatriates |
| OFWs | Overseas Filipino workers |
| Pag-IBIG or HDMF | The Home Development Mutual Fund, also known as the Pag-IBIG Fund, the primary government housing financial assistance program in the Philippines, with a statutory mandate to provide Government assistance for the housing requirements of its members and allot not less than 70% of its available funding for deployment of housing loans to its qualified buyers |
| PCD Nominee | PCD Nominee Corporation, a corporation wholly owned by the PDTC |
| PDTC | The Philippine Depository & Trust Corp. |
| PDTC Rules | SEC-approved rules of the PDTC, including the PDTC Operating Procedures and PDTC Operating Manual, as may be amended, supplemented, or modified from time to time |
| Person | Individuals, juridical persons such as corporation, partnership, joint venture, unincorporated association, trust or other juridical entities, or any governmental authority |
| Pesos, Philippine Pesos, Php, ₱ and Philippine currency | The legal currency of the Republic of the Philippines |
| PFRS | Philippine Financial Reporting Standards |
| Philippine National | <p>As defined under the Foreign Investments Act of 1991, means a citizen of the Philippines, or a domestic partnership or association wholly owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and the entitlement to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Philippine Corporation Code, of which 100% of the capital stock outstanding and the entitlement to vote is wholly owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of Philippine nationals.</p> <p>Pursuant to Philippine SEC Memorandum Circular No. 8, Series of 2013, which generally applies to all corporations engaged in identified areas of activities or enterprises specifically reserved, wholly or partly, to Philippine nationals by the</p> |

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| | Philippine Constitution, the Foreign Investments Act of 1991 and other existing laws, amendments thereto, and implementing rules and regulations of the said laws, for purposes of determining compliance with the constitutional or statutory ownership requirement, the required percentage of Filipino ownership shall be applied to both: (i) the total number of outstanding shares of stock entitled to vote in the election of directors; and (ii) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors. |
| PSE | The Philippine Stock Exchange, Inc. |
| PSE Trading Participants | Duly licensed securities brokers who are trading participants of the PSE |
| QIB | <p>Qualified institutional buyers under Section 10.1(3) of the SRC and SRC Rules, namely:</p> <ul style="list-style-type: none"> i. Bank; ii. Registered investment house; iii. Insurance company; iv. Pension fund or retirement plan maintained by the Government of the Philippines or any political subdivision thereof or managed by a bank or other persons authorized by the BSP to engage in trust functions; v. Registered Securities Dealer; vi. An account managed by a Registered Broker under a discretionary arrangement as provided for in the other relevant provisions in the SRC 2015 Rules; vii. Registered Investment Company (e.g., mutual fund companies); viii. Provident fund or pension fund maintained by a government agency or by a government or private corporation and managed by an entity authorized accordingly by the BSP or the SEC to engage in trust function or in fund management; ix. A trust corporation that is authorized by the BSP to perform the acts of a trustee; x. Unit investment trust funds that are established in accordance with rules and regulations of the BSP; xi. A fund established and covered by a trust or IMA agreement under a discretionary arrangement in accordance with rules and regulations of the BSP; a discretionary arrangement means that the entity managing the fund is granted authority to decide on the investment of the trust funds or IMA funds; xii. A fund established and covered by a trust or IMA agreement under a non-discretionary arrangement in accordance with rules and regulations of the BSP, provided that the beneficial owner/s or principal/s of such fund possess the qualifications on financial capacity and sophistication as specified in 2015 SRC Rules 10.1.11.1 for natural persons, and 10.1.11.2 for juridical persons; and provided also, that the treatment of such fund as qualified buyer does not contravene the trust or IMA agreement; xiii. A fund established and covered by a trust or IMA agreement wherein the beneficial owner or principal of the fund has been deemed or conferred as a qualified buyer under SRC Sec. 10.1 (I) or SRC Rule 10.1.11; xiv. An entity with quasi bank license issued by BSP; xv. Pre-need company authorized by the Insurance Commission; xvi. Collective Investment Scheme authorized by the relevant regulatory authority pursuant to existing laws and regulations; xvii. A listed entity on the PSE, or a related body corporate of a PSE-listed entity provided that it engages the service of a professional fund manager, through direct hire or via outsourcing to an authorized fund management entity; xviii. A foreign entity not being established or incorporated in the Philippines that, if established or incorporated in the Philippines, would be covered by one of the preceding paragraphs; and |

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| | xix. Such other person as the SEC may by rule or order determine as qualified buyers, on the basis of such factors as financial sophistication, net worth, knowledge, and experience in financial and business matters, or amount of assets under management. |
| REM | Real estate mortgage |
| SEC | Philippine Securities and Exchange Commission |
| SEC Permit to Sell | Permit to Sell Securities issued by the SEC in connection with the Offer |
| Shareholder | Shareholders of the Common Shares |
| SHDA | Subdivision and Housing Developers Association, the largest industry organization of subdivision and housing developers in the Philippines with over 200 members |
| Socialized Housing | Housing and land units priced up to ₱700,000.00 as categorized by the SHDA and HUDCC |
| SRC | Republic Act No. 8799, also known as the Securities Regulation Code of the Philippines, and any of its amendments |
| SSS | The Republic of the Philippines Social Security System |
| Stock Transfer Agent | Stock Transfer Service, Inc. a duly authorized stock and transfer agent organized and existing under the laws of the Philippines |
| Tax Code | Philippine National Internal Revenue Code of 1997, as amended |
| Take-out | Refers to the loan approval and receipt of proceeds of the Company for the buyers' end-user loan financing whether by HDMF, Banks, or other Financing Institutions |
| Taxes | Any present or future taxes, including, but not limited to, documentary stamp tax, levies, imposts, filing and other fees or charges imposed by the Republic of the Philippines or any political subdivision or taxing authority thereof, including surcharges, penalties and interests on said taxes, but excluding final withholding tax, gross receipts tax, taxes on the overall income of the underwriters or of the Shareholders (which for the avoidance of doubt includes any creditable withholding tax), value added tax, and taxes on any gains realized from the sale of the Offer Shares |
| Tax Exempt/Treaty Documents | Collectively, (i) a BIR-certified true copy (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time) of the current and valid tax exemption certificate, ruling or opinion issued by the BIR or a Certificate of Residence for Tax Treaty Relief (" CORTT Form "), as applicable, confirming the exemption or preferential rate; (ii) a duly notarized undertaking, in the prescribed form, executed by (ii.a) the Corporate Secretary or any authorized representative of such Applicant or Shareholder, who has personal knowledge of the exemption based on his official functions, if the Applicant purchases, or the Shareholder holds, the Offer Shares for its account, or (ii.b) the Trust Officer, if the Applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Offer Shares pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer and the Paying Agent of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and the Paying Agent free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding of the required tax; and (iii) such other documentary requirements as may be reasonably required by the Issuer and/or the Paying Agent or under the applicable regulations of the relevant taxing or other authorities; |

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| Trading Participants and Retail Offer | The offer for sale of the Trading Participants and Retail Offer Shares to be made in the Philippines |
| Trading Participants and Retail Offer Shares | [72,000,000] Firm Shares being offered pursuant to the Trading Participants and Retail Offer |
| Underwriting Agreement | The underwriting agreement between Ovialand, Inc. and SB Capital Investment Corporation dated [●]. |

EXECUTIVE SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information presented in this Prospectus, including the Company's audited consolidated financial statements for the years ended 2020, 2021, and 2022, and related notes included elsewhere in this Prospectus. Prospective investors should read this entire Prospectus fully and carefully, including the section on "Risk Factors". In case of any inconsistency between this summary and the more detailed information in this Prospectus, then the more detailed portions, as the case may be, shall at all times prevail. Capitalized terms not defined in this summary are defined in the "Glossary of Terms," "Risk Factors," "Business" or elsewhere in this Prospectus.

THE COMPANY

Ovialand, Inc., (the "**Company**" or "**Ovialand**") founded in 2014, is a fast-growing real estate developer focused on pioneering the massive potential in the premium affordable housing market. The Company's vision is to be a top real estate brand for emerging generations of aspirational and discerning customers across the country. With this, it aims to develop distinctive and well-situated developments that create and deliver a unique home ownership and community living experience for its homebuyers through its Brand Mission of "Premier Family Living".

The company demonstrates "Premier Family Living" using three pillars across all its developments. The first pillar is "Premier Homes", beautifully designed to appeal to an aspirational home buying market. Built using Ovialand's proprietary precast technology, each home is made of solid concrete to ensure lasting quality for the next generation. All homes are delivered fully finished, giving the clients the satisfaction of moving into their brand new homes, without the inconvenience. Each home is quality inspected before turn-over, assuring the home-buyers the Company's commitment to all its clients.

The second pillar of Premier Family Living is "Premier Communities". Each development was designed to be a safe and secure peaceful neighborhood, an ideal setting for individuals and families. Wide roads and open spaces, enhanced with family centered amenities nestled within perimeter fences and gates provide the homebuyers with a sense of security and peace of mind.

Lastly, the Company is committed to provide to each client "Premier Service". The company understands that the home-buying process entails a lot of details, from choosing the right property, applying for home-financing, turnover and even post-move in. Since the Company caters to first-time homebuyers, there is emphasis in assisting the clients to ensure a smooth and hassle-free transaction from start to finish. This is done by assigning each homebuyer a dedicated personal account officer that will assist each client throughout the home-buying process.

Ovialand has adapted a regional growth strategy starting with Southern Luzon as its first regional presence. Since 2017, Ovialand has turned-over 1,614 homes across its developments. The Company has 42.6 hectares in its land bank with five (5) ongoing projects covering 35.9 hectares. The projects consist of the following: (i & ii) Savana Phase 1 & Phase 2 with 588 house and lot units for completion by Q4 2024, (iii) Caliya Phase 1, located in Candelaria, Quezon with a total of 591 units for completion by Q4 2023, (iv) Santeví, San Pablo, with 707 units for completion by Q4 2025, and (v) Seriya, Baliwag Bulacan, with 698 house and lot units for completion by Q4 2026. The Company has identified 6 projects in its immediate pipeline with 10.7 hectares already acquired plus additional 34 hectares to be acquired, equivalent to about 3,600 units inventory.

Ovialand plans to acquire more parcels of land to grow its land bank up to 217 hectares within the next 5 years. Currently, it has the capacity to build up to 1,200 units per year through its proprietary precast system, the OLI-Cast precast system. The OLI-Cast precast system uses monolithic wall panels, welded together at the corners using a steel plate. Each wall is made of a solid concrete piece that prevents leaks from entering the homes. The walls and structures are lifted and erected using a mobile crane, allowing the technology to be efficient and less labor dependent. Ovialand assembles a pre-cast facility in each development, eliminating logistical costs in transporting the massive pieces of panels. Each pre-cast facility is also modular, making the whole system easily transferable to different project sites as needed. Ovialand is working on increasing its capacity to 1,500 units per year this year. With this capacity, it will be able to complete and deliver between 20 to 25 homes in a month per casting bed set. In 5 years, the Company plans to increase its precast capacity to 2,700 units per year and by 2033, to further ramp up such capacity to 7,500 units per year. In order to increase its production capacity, the Company intends to build at least 1 set of casting bed in each project.

Ovialand primarily serves and targets an aspirational market in the broad middle-income segment that are looking to purchase homes between the range of ₱2 million to ₱4 million.

RISKS OF INVESTING

Before making an investment decision, prospective investors should carefully consider the risks associated with an investment in the Offer Shares. Certain of these risks are discussed in the section entitled “*Risk Factors*”. Prospective investors should also consider the following risks of investing in the Offer:

- risks relating to the business;
- risks relating to the Philippines;
- risks relating to the Offer and the Offer Shares; and
- risks relating to the presentation of information in this Prospectus.

INVESTOR RELATIONS OFFICE

The investor relations office will implement the investor relations program in order to reach out to all shareholders and keep them informed of corporate activities. The office will also handle communication of relevant information to the Company stakeholders as well as to the broader investor community. The investor relations office will also be responsible for receiving and responding to investor and shareholder queries relating to the Company.

Mr. John Bryan A. Vital has been appointed by the Board as the head of the investor relations office and to serve as the Company’s Investor Relations Officer (“**IRO**”). The IRO will ensure that the Company complies with and files on a timely basis all required disclosures and continuing requirements of the SEC and the PSE. In addition, the IRO will oversee most aspects of the shareholder meetings, press conferences, investor briefings, and management of the investor relations portion of the Company website, which will contain information, including but not limited to:

- (a) Company information (organizational structure, board of directors and management team);
- (b) Company news (analyst briefing report, press releases, latest news, newsletters (if any));
- (c) Financial report (annual and quarterly reports for the past two years);
- (d) Disclosures (recent disclosures to PSE and SEC for the past two years);
- (e) Investor FAQs;
- (f) Investor Contact (email address and phone numbers for feedback/comments, shareholder assistance and service); and
- (g) Stock Information.



The IRO will be located at 2701 Parkway Corporate Center, Corporate Ave. cor. Parkway Place, Filinvest Alabang, Muntinlupa City, Philippines with contact details as follows:
Landline: +632 85198714
E-mail: investorrelations@ovialand.com
Website: <http://ovialand.com>

COMPANY INFORMATION



Ovialand is a Philippine corporation organized under the laws of the Philippines. The Company's principal office address is Unit 2701 Parkway Corporate Center, Corporate Ave. cor. Parkway Place, Filinvest, Muntinlupa City, Philippines, with telephone number: (+632) 8519-8714. The Company corporate website is <http://ovialand.com>. Information on the website is not incorporated by reference into this Prospectus.

SUMMARY OF THE OFFER

The following does not purport to be a complete listing of all the rights, obligations, and privileges attaching to or arising from the Offer Shares. Some rights, obligations, or privileges may be further limited or restricted by other documents and subject to final documentation. Prospective investors are enjoined to exercise appropriate due diligence and perform their own independent investigation and analysis of the Company and the Offer Shares. Each prospective investor must rely on its own appraisal of the Company and the Offer Shares and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to invest in the Offer Shares and must not rely solely on any statement or the significance, adequacy, or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective investor's independent evaluation and analysis.

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| Issuer | : | Ovialand, Inc. |
| Selling Shareholders | : | 1802 SJ Holdings Inc. and Januarius Holdings Inc. |
| Sole Issue Manager, Lead Underwriter and Sole Bookrunner | : | SB Capital Investment Corporation |
| Selling Agents | : | PSE Trading Participants |
| The Offer | : | Offer and sale of up to [360,000,000] Offer Shares, consisting of [336,000,000] Primary Shares offered to be issued by the Company and [24,000,000] Secondary Shares to be offered by Januarius Holdings Inc., with an offer of up to [36,000,000] Option Shares by the Selling Shareholders pursuant to the Over-allotment Option (as described below). |
| Firm Shares | : | [336,000,000] Primary Shares offered and to be issued by the Company and [24,000,000] Secondary Shares to be offered by Januarius. |
| Option Shares | : | Up to [36,000,000] Secondary Shares will be made available by the Selling Shareholders pursuant to the Over-allotment Option of which up to [28,800,000] shares will come from 1802 SJ Holdings and up to [7,200,000] shares will come from Januarius Holdings Inc. |
| Offer Shares | : | The Firm Shares and the Option Shares. |
| Institutional Offer | : | At least [252,000,000] Firm Shares, or [70]% of the Firm Shares are being offered and sold to certain qualified buyers and other investors in the Philippines, by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. The Option Shares will form part of the Institutional Offer. |
| The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as agreed between the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, as well as oversubscription or undersubscription of either or both the Trading Participants and Retail Offer and the Institutional Offer. See “—Reallocation” below. | | |
| Trading Participants and Retail Offer | : | Up to [108,000,000] Firm Shares are being offered at the Offer Price in the Trading Participants and Retail Offer. Up to [72,000,000] (or [20]% of the Firm Shares) are being allocated to all of the PSE Trading Participants and up to [36,000,000] Firm Shares (or [10]% of the Firm Shares) are being allocated to local small investors. Each PSE Trading Participant shall initially be allocated [870,000] Firm Shares, subject to reallocation as may be determined by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. Based on the initial allocation for each PSE Trading Participant, there will be a total of |

[120,000] residual Firm Shares to be allocated as may be determined by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. Each LSI applicant may subscribe up to a maximum of [●] Firm Shares at the Offer Price. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner shall purchase the Trading Participants and Retail Offer Shares not reallocated to the Institutional Offer or otherwise not taken up by the PSE Trading Participants, LSIs or clients of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner or the general public in the Philippines pursuant to the terms and conditions of the Underwriting Agreement.

LSIs shall subscribe through the PSE Electronic Allocation System (“**PSE EASy**”). An LSI is defined as a subscriber to the Offer who is willing to subscribe to a minimum board lot or whose subscription does not exceed ₱100,000.00. In the case of this Offer, the minimum subscription of LSIs shall be [●] Offer Shares or ₱[●], while the maximum subscription shall be [●] Offer Shares or up to ₱[●]. There will be no discount on the Offer Price. The procedure in subscribing to Offer Shares via PSE EASy is indicated in the Company’s Implementing Guidelines for Local Small Investors to be announced through the PSE EDGE website. Should the total demand for the Offer Shares in the LSI program exceed the maximum allocation, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner shall prioritize the subscriptions of LSIs with amounts lower than the maximum subscription.

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| Offer Price | : | Up to ₱[5.60] per Offer Share. The Offer Price was determined through a book-building process and discussions between the Company, and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. |
| Over-allotment Option | : | The Selling Shareholders have granted the Stabilizing Agent, [SB Equities, Inc.], an option, exercisable in whole or in part, to purchase up to [36,000,000] Option Shares at the Offer Price, on the same terms and conditions as the Firm Shares as set out in this Prospectus, solely to cover over-allotments, if any, and effect price stabilization transactions. The Over-allotment Option is exercisable from time to time for a period which shall not exceed thirty (30) calendar days from and including the Listing Date. See “ <i>Plan of Distribution – The Over-allotment Option.</i> ” |
| Price Stabilization | : | The Option Shares may be over-allotted and the Stabilizing Agent may effect price stabilization transactions for a period beginning on or after the Listing Date, but extending no later than thirty (30) calendar days from and including the Listing Date. The Stabilizing Agent may purchase Shares in the open market only if the market price of the Common Shares falls below the Offer Price. Such activities may stabilize, maintain or otherwise affect the market price of the Common Shares, which may have the effect of preventing a decline in the market price of the Common Shares and may also cause the price of the Common Shares to be higher than the price that otherwise would exist in the open market in the absence of these transactions. If the Stabilizing Agent commences any of these transactions (which would include thereafter disposing of or selling the Common Shares purchased), it may discontinue them at any time. However, the Stabilizing Agent or any person acting on behalf of the Stabilizing Agent has the sole discretion whether to undertake stabilization activities, and there is no assurance that the same will be undertaken. There is also no assurance that the price of the Common Shares will not decline significantly after any such stabilizing activities end. Once the Over-allotment Option has been fully exercised by the Stabilizing Agent, it will no longer be allowed to purchase Common Shares in the open market for the conduct of stabilization activities. To the extent the Over-allotment Option is not fully exercised by the Stabilizing Agent, the same shall be deemed cancelled and the relevant Option Shares shall be re-delivered to the Selling Shareholders and shall remain part of the issued and outstanding shares of the Company. See “ <i>Plan of Distribution – The Over-allotment Option.</i> ” |

Eligible Investors : The Trading Participants and Retail Offer Shares may be purchased by any natural person of legal age regardless of nationality, or any corporation, association, partnership, trust account, fund or entity organized under the laws of the Philippines or licensed to do business in the Philippines, regardless of nationality, subject to the Company's right to reject an Application or reduce the number of the Firm Shares applied for subscription and subject to restrictions on ownership as set out below.

The Institutional Offer Shares are being offered for sale to certain qualified buyers and other investors in the Philippines, by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner.

Purchase of the Offer Shares in certain jurisdictions may be restricted by law. Foreign investors interested in purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase, and hold the Offer Shares.

Use of Proceeds : The Company intends to use the net proceeds from the Offer primarily for land banking, construction and development expenses, and general corporate purposes. See "*Use of Proceeds*" beginning on page [44] of this Prospectus.

Minimum Subscription : Each application must be for a minimum of [●] Firm Shares, and thereafter, in multiples of [●] Firm Shares. Applications for multiples of any other number of Shares may be rejected or adjusted to conform to the required multiple, at the Company's discretion.

Reallocation : The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as determined by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. If there is an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Offer Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and a corresponding over-application in the Institutional Offer, Offer Shares in the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of over-application or under-application in both the Trading Participants and Retail Offer and the Institutional Offer. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner shall purchase the Trading Participants and Retail Offer Shares not reallocated to the Institutional Offer or otherwise not taken up by the PSE Trading Participants, LSIs or clients of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner or the general public in the Philippines pursuant to the terms and conditions of the Underwriting Agreement.

Lock-up : Under the PSE Consolidated Listing and Disclosure Rules, existing shareholders who own an equivalent of at least 10% of the issued and outstanding Common Shares as of the Listing Date cannot sell, assign or in any manner dispose of their Shares for a minimum period of 180 days after the Listing Date.

Assuming the Over-allotment Option is not exercised, the following are covered by the 180-day lock-up requirement from Listing Date:

| Shareholder | No. of Shares Subject to 180-day Lock-up Period |
|-------------|---|
| | |

| | |
|-------------------------|-------------|
| 1802 SJ Holdings Inc. | 596,000,000 |
| Januarius Holdings Inc. | 150,000,000 |
| TOTAL | 746,000,000 |

Assuming the Over-allotment Option is fully exercised, the following are covered by the 180-day lock-up requirement from Listing Date:

| Shareholder | No. of Shares Subject to 180-day Lock-up Period |
|-------------------------|---|
| 1802 SJ Holdings Inc. | 567,200,000 |
| Januarius Holdings Inc. | 142,800,000 |
| TOTAL | 710,000,000 |

To implement the lock-up requirement, the Company, Januarius Holdings Inc. and 1802 SJ Holdings Inc. shall enter into an escrow agreement with [Security Bank Corporation Trust & Asset Management Group (“**SBC Trust**”)].

The Company has agreed with the Sole Issue Manager, Lead Underwriter and Sole Bookrunner that, except in connection with the Over-allotment Option, it will not, without the prior written consent of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, issue, offer, pledge, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal of) any Common Shares or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Common Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the underlying securities, including equity swaps, forward sales and options for a period of 180 days after the Listing Date.

See “*Principal and Selling Shareholders*” and “*Plan of Distribution – Lock-Up*.”

Listing and Trading : The Company has filed an application with the SEC for the registration and an application with the PSE for the listing of all its issued and outstanding stock (including the Offer Shares). The PSE has approved the listing application in a Notice of Approval dated [●] subject to compliance with certain conditions and the SEC is expected to issue the Order of Effectivity and Permit to Sell on or about [●].

All of the issued and outstanding Common Shares of the Company, including the Offer Shares to be issued, are expected to be listed on the Main Board of the PSE under the symbol “[OLI]” on or about [●], or such other date that may be agreed by the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. Notice of any adjustment to the Listing Date shall be made by publication by the Company in two (2) newspapers of general circulation, provided that any adjustment to the Listing Date shall be subject to the approval of the PSE. See “*Description of the Offer Shares*.” Trading of the Common Shares of the Company, excluding those subject to lock-up, is expected to commence on or about [●].

Dividends and Dividend Policy : The Company is authorized to declare dividends. A cash dividend declaration requires approval from the Board. A stock dividend declaration requires the further approval of shareholders representing not less than two-thirds of the

Company's outstanding capital stock. Dividends may be declared only from available unrestricted retained earnings.

Under the Company's current dividend policy, it intends to maintain an annual cash dividend payment ratio for its Shares of up to 50% of net income after tax for the preceding fiscal year, subject to the availability of cash and subject to the requirements of applicable laws and regulations. See "*Dividends and Dividend Policy*".

Registration and Lodgment of Shares with PDTC : The Offer Shares are required to be lodged with the PDTC. The applicant must provide the information required for the PDTC lodgment of the Offer Shares. The Offer Shares will be lodged with the PDTC on Listing Date. The applicant may request to receive share certificates evidencing such applicant's investment in the Offer Shares through his/her broker after the Listing Date. Any expense to be incurred for such issuance of certificates shall be borne by the applicant.

Restrictions on Ownership : The Offer Shares may be purchased and owned by any person or entity regardless of citizenship or nationality, subject to any applicable nationality limits under Philippine law.

The Philippine Constitution and related statutes set forth restrictions on foreign ownership for companies engaged in certain activities. In particular, the Company owns land as identified in the section on "*Description of Property*" on page [111]. In connection with the ownership of private land, the Philippine Constitution states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens. For further discussion, please refer to section on "*Regulatory and Environmental Matters*" on page [121].

Registration of Foreign Investments : The BSP requires that investments in shares of stock funded by inward remittance of foreign currency be registered with the BSP only if the foreign exchange needed to service capital repatriation or dividend remittance will be sourced from the Philippine banking system. The registration with the BSP of all foreign investments in the Offer Shares shall be the responsibility of the foreign investor. See "*Regulatory and Environmental Matters*."

Restriction on Issuance and Disposal of Shares : See "*Lock-up*" above.

Tax Considerations : See "*Taxation*" for further information on the Philippine tax consequences of the purchase, ownership and disposal of the Offer Shares.

Procedure for Application for the Trading Participants and Retail Offer : The Offer Period shall commence at [9:00 a.m.] on [●] and shall end at [12:00 noon] on [●]. If, for any reason, any day of the Offer Period is a non-Banking Day, then the Offer Period may be extended to the next immediately succeeding Banking Day, or such other date as may be agreed upon by the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. The Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner reserve the right to extend, shorten, or terminate the Offer Period, subject to the approval of the SEC and the PSE.

Applications must be received by the Receiving Agent for PSE Trading Participant applications or through PSE EASy for LSI applications, as applicable, by [●] on [●] and shall be subject to the terms and conditions of the Offer as stated in the Prospectus and in the Application. Applications received thereafter or without the required documents will be rejected.

For PSE Trading Participants:

Application forms to purchase the Trading Participants Offer Shares and signature cards may be obtained from the Sole Issue Manager, Lead Underwriter and Sole Bookrunner or any participating PSE Trading Participant. Application forms will also be made available for download on the Company website.

Applicants shall complete the application form, indicating all pertinent information, such as the applicant's name, address, contact number, taxpayer's identification number, citizenship and all other information required in the application form. Applicants shall undertake to sign all documents and to do all necessary acts to enable them to be registered as holders of the Trading Participants Offer Shares. Failure to complete the application form may result in the rejection of the application.

Applications must be received by the Receiving Agent not later than [●] on [●]. Applications received thereafter or without the required documents will be rejected. Applications shall be considered irrevocable upon submission to a PSE Trading Participant and shall be subject to the terms and conditions of the Offer as stated in this Prospectus and in the Application.

All applications shall be evidenced by the application to purchase form, in quadruplicate, duly executed in each case by an authorized signatory of the applicant and accompanied by one (1) completed signature card, which for applicants who are corporations, partnerships or trust accounts, should be authenticated by the corporate secretary or equivalent corporate officer (or managing partner in the case of a partnership), and the corresponding payment for the Trading Participants Offer Shares covered by the application and all other required documents.

If the applicant is a corporation, partnership or trust account, the application must be accompanied by the following documents:

- A certified true copy of the applicant's latest articles of incorporation and by-laws (or articles of partnership, in the case of a partnership) and other constitutive documents (each as amended to date) duly certified by its corporate secretary (or managing partner in the case of a partnership);
- A certified true copy of the applicant's SEC certificate of registration duly certified by its corporate secretary (or managing partner in the case of a partnership); and
- A duly notarized corporate secretary's certificate (or certificate of the managing partner in case of partnership) setting forth the resolution of the applicant's board of directors or equivalent body authorizing the purchase of the Offer Shares indicated in the application, identifying the designated signatories authorized for the purpose, including his or her specimen signature, and certifying to the percentage of the applicant's capital or capital stock held by Philippine nationals.

Foreign corporate and institutional applicants who qualify as eligible investors, in addition to the documents listed above, are required to submit in quadruplicate, a representation and warranty stating that their purchase of the Trading Participants Offer Shares to which their application relates will not violate the laws of their jurisdictions of incorporation or organization, and that they are allowed, under such laws, to acquire, purchase and hold the Trading Participants Offer Shares.

This should be read in conjunction with the Company's Implementing Guidelines for PSE Trading Participants which will be published on the PSE EDGE website prior to the start of the Offer Period.

For Local Small Investors:

With respect to the LSIs, applications to purchase the Retail Offer Shares must be done online through PSE EASy. The system will generate a unique reference number and payment instructions. LSI applications and payments must be completed and settled, respectively, by [●] on [●] (“**Retail Settlement Date**”).

Further information about the Company, details about the Offer, instructions for subscribing through PSE EASy, payment terms and the list of PSE Trading Participants where LSI applicants may open trading accounts for the lodgement of the LSI applicant’s Retail Offer Shares will be made available in the online IPO information center. The link to the online information center will be made available on the Company’s website in due course and in the Company’s Implementing Guidelines for LSIs which will be published on the PSE EDGE website prior to the start of the Trading Participants and Retail Offer.

LSI applications will be processed on a first-come, first-served basis, while final allocation of the Retail Offer Shares will be determined pursuant to allocation mechanics. This section should be read in conjunction with the Company’s Implementing Guidelines for LSIs which will be published on the PSE EDGE website prior to the start of the Offer Period.

Payment Terms for the Offer : The purchase price must be paid in full in Philippine Pesos upon the submission of the duly completed and signed application form and signature card together with the requisite attachments.

For the Institutional Offer, payment for the Offer Shares shall be made either by: (i) a personal or corporate check drawn against an account with a BSP authorized bank having a clearing period of no more than one business day, (ii) a manager’s or cashier’s check issued by a BSP authorized bank having a clearing period of no more than one (1) Banking Day; or (iii) a direct remittance via Real Time Gross Settlement (“**RTGS**”) or any other remittance services, or an intrabank fund transfer.

For the Trading Participants Offer, payment for the Offer Shares shall be made through over-the-counter cash or check deposit payment in any [●] branches via [●].

For LSIs, payment for the Offer Shares shall be made either by: (i) over-the-counter cash or check deposit payment in any [●] branches via Bills Payment under the account “[●]”, or (ii) online payment via [●] under the biller account “[●]” or via [●]. LSI applicants may contact the Receiving Agent for alternative modes of payment.

For check payments, only personal or corporate checks, and manager’s or cashier’s checks with a clearing period of not more than one (1) Banking Day and drawn against any BSP authorized agent bank will be accepted as a valid mode of payment. The check must be dated as of the date of submission of the Application, made payable to “[●]”, and crossed “Payee’s Account Only”. Checks subject to clearing periods of over one (1) Banking Day shall not be accepted.

Acceptance or Rejection of Applications for the Trading Participants and Retail Offer : Acceptance of Applications and Effect of Non-Listing on the Issuance of Offer Shares

Applications for the Trading Participants and Retail Offer Shares are subject to the confirmation of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner and the Company’s final approval. The Company, in consultation with the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, reserve the right to accept, reject or scale down the number and amount of Trading Participants and Retail Offer Shares covered by any application. The Company

and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner have the right to reallocate available Trading Participants and Retail Offer Shares in the event that the Trading Participants and Retail Offer Shares are insufficient to satisfy the total applications received. The Trading Participants and Retail Offer Shares will be allotted in such a manner as we and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner may, in the Company's sole discretion, deem appropriate, subject to distribution guidelines of the PSE.

Applications may be rejected if (i) the subscription price is unpaid or not fully paid; (ii) payments are insufficient or where checks, as applicable, were dishonored upon first presentation; (iii) the applications are not received by the Receiving Agent on or before the end of the Offer Period; (iv) the number of Offer Shares subscribed is less than the minimum amount of subscription; (v) the application forms do not comply with the terms of the Trading Participants and Retail Offer; (vi) the sale of the Offer Shares will result in a violation of foreign ownership restrictions; (vii) the applicant is not an Eligible Investor; (viii) the applications do not have sufficient information as required in the application form or are not supported by the required documents; or (ix) the underwriting agreement is suspended, terminated or cancelled on or before the Listing Date (subject to the terms set forth under the section "*Withdrawal of the Offer*" below).

Notwithstanding any provision to the contrary as may be found in the Application, Prospectus, and other offer-related document, an Application, when accepted, shall constitute a binding and effective agreement between the Applicant and the Company for the subscription to the Offer Shares. For the avoidance of doubt, notwithstanding the acceptance of any Application, the actual issuance of the Offer Shares to an Applicant shall take place only upon the listing of the Offer Shares on the PSE. If the Company's shares, including the Offer Shares, are not listed on the PSE on Listing Date due to the cancellation or withdrawal of the offer by the Company at any time on or after the commencement of the Offer Period and prior to Listing due to the occurrence of any of the events under the section entitled Withdrawal of the Offer, the agreement between the Applicant and the Company for subscription to the Offer Shares shall be automatically cancelled and of no further force or effect. In such event, the Applicant shall be entitled to a refund following the same procedure outlined in the Refunds of the Trading Participants and Retail Offer provision of this Summary of the Offer.

Withdrawal of the Offer

The Company may withdraw the offer and sale of the Offer Shares at any time before the commencement of the Offer Period, subject to disclosure to the SEC and PSE.

The Company may also withdraw the offer and sale of the Offer Shares at any time on or after the commencement of the Offer Period and prior to Listing, if there is a supervening force majeure or fortuitous event, such as:

a. An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or occurrence of any event or change (whether or not forming part of a series of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or occurrence of any change in local, national or international financial, political, economic or stock market conditions which renders it impracticable or inadvisable to continue with the Offer and/or listing of the Offer Shares in the manner contemplated by the Prospectus, or would have a material adverse effect on the distribution, offer and sale of the Offer Shares in the Philippines, rendering it impracticable or inadvisable to proceed with the Offer in the manner contemplated by the Prospectus, or the Philippine economy or on the securities or other financial or currency markets of the

Philippines, provided that for the avoidance of doubt, the Offer shall not be withdrawn, cancelled, suspended or terminated on or after the commencement of the Offer Period solely by reason of the Company's or the Sole Issue Manager, Lead Underwriter and Sole Bookrunner's inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Company, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, or any other entity/ person to take up any shares remaining after the Offer Period;

b. Issuance of an order revoking, cancelling, suspending, preventing or terminating the offer, sale, distribution or listing of the Offer Shares by any court or governmental agency or authority with jurisdiction on the matter, the SEC or the PSE;

c. Cancellation, revocation or termination of the PSE Notice of Approval, the SEC pre-effective clearance, the SEC Order of Registration, or the SEC Permit to Sell;

d. Cancellation or suspension of trading in the PSE for at least three (3) consecutive trading days, or in such manner or for such period as will render impracticable the listing and trading of the Offer Shares on the Listing Date or such other date as may be approved by PSE;

e. A change or impending change in the law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order which (i) materially and adversely affects: (a) the ability of the Company to engage in the business it is presently engaged in; or (b) the capacity and due authorization of the Company to offer and issue the Offer Shares and enter into the transaction documents in connection with the Offer, or (ii) would render illegal the performance by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner of its underwriting obligations hereunder;

f. Any significant, adverse, and unforeseeable change or development in the Company's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the Offer Shares unsuitable for offering to the public;

g. The Company decides to or is compelled to stop its operations which is not remedied within five (5) Banking Days;

h. The Company shall be adjudicated bankrupt or insolvent, or shall admit in writing its inability to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or assignment with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or (ii) the Company shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or (iii) such receiver, trustee or similar officer shall be appointed; or (iv) the Company shall initiate or institute (by petition, application or otherwise howsoever), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or (v) any such proceeding shall be instituted against the Company; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part thereof, of the Company; or (vi) any event occurs which under the laws of the Philippines or other jurisdictions, or any applicable political subdivision thereof, has an effect equivalent to any of the foregoing;

i. A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines;

j. Any court proceeding, litigation, arbitration or other similar proceeding is commenced or threatened against the Sole Issue Manager, Lead Underwriter and Sole Bookrunner in connection with or with respect to the issuance or sale by the Company of the Offer Shares or the Offer in general which renders the performance of its underwriting commitment impossible or impracticable;

k. Any event occurs which makes it impossible for the Sole Issue Manager, Lead Underwriter and Sole Bookrunner to perform its underwriting obligations due to conditions beyond its control, such as issuance by any court, arbitral tribunal, or government agency which has jurisdiction on the matter of an order restraining or prohibiting the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, or directing the Sole Issue Manager, Lead Underwriter and Sole Bookrunner to cease, from performing its underwriting obligations;

l. Any representation, warranty or statement of the Company in the Prospectus shall prove to be untrue or misleading in any material respect or the Company shall be proven to have omitted a material fact necessary in order to make the statements in the Prospectus not misleading, which untruth or omission: (a) was not known and could not have been known to the Sole Issue Manager, Lead Underwriter and Sole Bookrunner on or before commencement of the Offer Period despite the exercise of due diligence, and (b) has a material and adverse effect on the Company's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability;

m. Unavailability of PDTC and PSE facilities used for the Offer and/or Listing and such unavailability impacts the ability of the Issuer and Sole Issue Manager, Lead Underwriter and Sole Bookrunner to fully comply with the listing requirements of PSE; and

n. Any force majeure event, other than the ones enumerated above, that has material and adverse effect on the Company's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability.

The Offer shall not be withdrawn, cancelled, suspended or terminated on or after the commencement of the Offer Period solely by reason of the Company's or the Sole Issue Manager, Lead Underwriter and Sole Bookrunner's inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Company, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, or any other entity/ person to take up any shares remaining after the Offer Period.

Notwithstanding the foregoing, the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner recognize and acknowledge that the PSE, in the exercise of its authority as a self-regulatory organization and further to its mandate to maintain a fair and orderly market, may impose appropriate sanctions and penalties on the relevant party if the PSE determines that the cancellation or termination of the underwriting commitment or the Underwriting Agreement was not warranted based on the facts gathered by PSE and after due and proper proceedings initiated by the PSE not later than five (5) Banking Days after such cancellation or termination.

Notwithstanding the acceptance of any Application, the actual issuance of the Offer Shares to an applicant shall take place only upon the listing of the Offer Shares on the PSE. The PSE issued its Notice of Approval on [●], subject to compliance by the Company with certain conditions. Subject to the right of the

Company to withdraw or cancel the offer and sale of the Offer Shares prior to Listing Date pursuant to this section, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date.

If the Offer Shares are not listed on the PSE on Listing Date, all application payments will be returned to the Applicants without interest starting on the fifth (5th) Banking Day after the end of the Offer Period or on [●]

Refunds of the Trading Participants and Retail Offer

- : In the event that the number of Trading Participants and Retail Offer Shares to be received by an applicant, as confirmed by the Company, the Receiving Agent and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, is less than the number covered by the application, or if an application is rejected, then the applicant is entitled to a refund, without interest, within five (5) Banking Days from the end of the Offer Period or on [●], of all or a portion of the applicant's payment corresponding to the number of Trading Participants and Retail Offer Shares wholly or partially rejected.

Subject to the final mechanics to be included in the LSI Implementing Guidelines, refunds to Local Small Investors, if any, may be coursed directly through their nominated PSE Trading Participant (subject to confirmation of such PSE Trading Participant). The refunds will be processed by the Receiving Agent directly to the nominated PSE Trading Participant by transferring immediately available funds to the relevant bank account of, or via check to, each relevant nominated PSE Trading Participant in such amount representing the total refund due to all the clients of the relevant PSE Trading Participant on or before the fifth (5th) banking day after the end of the Offer Period or on [●]. The affected LSI Applicants may coordinate directly with their respective nominated PSE Trading Participant, as indicated in the submitted LSI Application.

Expected Timetable

- : The timetable of the Offer is expected to be as follows:

| | |
|--|---|
| Receipt of SEC Pre-effective clearance | [Week of May 29, 2023] |
| Date of PSE Notice of Approval | [Week of June 5, 2023] |
| Receipt of PSE Board approval | [Week of June 5, 2023] |
| Book-building Period | [Week of June 5 to Week of June 12, 2023] |
| Pricing and allocation of the Offer Shares | [Week of June 12, 2023] |
| Notice of final Offer Price to the SEC and PSE | [Week of June 12, 2023] |
| Receipt of the Permit to Sell from the SEC | [Week of June 12, 2023] |
| Offer Period | [Week of June 19, 2023] |
| PSE Trading Participants' Commitment Period | [June 19 to 21, 2023] |
| Submission of Firm Order and Commitments by PSE Trading Participants | [June 21, 2023] |
| Trading Participants Settlement Date | [June 21, 2023] |
| Retail Settlement Date | [June 23, 2023] |

| | |
|---|-----------------|
| Institutional Offer Settlement Date | [June 23, 2023] |
| Listing Date and commencement of trading on the PSE | [July 4, 2023] |

The dates included above are subject to the approval of the PSE and the SEC, market and other conditions, and may be changed.

If, for any reason, any day of the above periods or dates is not a Banking Day, then such period or date may be extended or moved, as the case may be, to the immediately succeeding Banking Day, or such other date as may be agreed upon by the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. Notice of any adjustment to the Listing Date shall be made by publication by the Company in two (2) newspapers of general circulation, provided that any adjustment to the Listing Date shall be subject to the approval of the SEC and PSE.

- Risks of Investing :
- In making an investment decision, investors are advised to carefully consider all the information contained in this Prospectus, including the risks associated with an investment in the Offer Shares. These risks include:
- risks relating to the business;
 - risks relating to the Philippines;
 - risks relating to the Offer and the Offer Shares; and
 - risks relating to the presentation of information in the Prospectus.

For a more detailed discussion on certain of these risks, see “*Risk Factors*” beginning on page [24], which while not intended to be an exhaustive enumeration of all risks, must be considered in connection with a purchase of the Offer Shares. The Offer Shares are offered solely on the basis of the information contained in the Prospectus.

- Receiving Agent : Stock Transfer Service, Inc.
- Stock and Transfer Agent : Stock Transfer Service, Inc.
- Escrow Agent : Security Bank – Trust & Asset Management Group
- Counsel for the Issuer : Picazo Buyco Tan Fider & Santos
- Counsel for the Sole Issue Manager, Lead Underwriter and Sole Bookrunner : Romulo Mabanta Buenaventura Sayoc & de los Angeles
- Independent Auditors : Punongbayan & Araullo

RISK FACTORS

An investment in the Offer Shares involves a number of risks. The price of securities can and does fluctuate, and any individual security is likely to experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. Past performance is not indicative of future performance and results, and there may be a large difference between the buying price and the selling price of any security. Investors should carefully consider all the information contained in this Prospectus, including the risk factors described below, before deciding to invest in the Offer Shares. The occurrence of any of the following events, or other events not currently anticipated, could have a material adverse effect on the Company's business, financial condition and results of operations and cause the market price of the Common Shares to decline. All or part of an investment in the Offer Shares could be lost.

The means by which the Company intends to address the risk factors discussed herein are principally presented under the captions "Business," particularly under "Competitive Strengths" "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Industry Overview," and "Board of Directors and Senior Management—Corporate Governance" of this Prospectus. This risk factor discussion does not purport to disclose all of the risks and other significant aspects of investing in the Common Shares. Investors should undertake independent research and study the trading of securities before commencing any trading activity. Investors should seek professional advice regarding any aspect of the securities such as the nature of risks involved in the trading of securities. Investors may request publicly available information on the Common Shares and the Company from the SEC. The risk factors discussed in this section are of equal importance and are only separated into categories for easy reference.

The means by which the Company intends to address the risk factors discussed herein are principally presented under this Section of the Prospectus, but may also be found in the discussion on "Strengths and Strategies" on page [74].

The risk factors discussed in this section are of equal importance and are separated into categories for ease of reference only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks or of the scope of any potential harm to the Company's business, results of operations, financial condition and prospects.

RISKS RELATING TO THE COMPANY'S BUSINESS

The COVID-19 Pandemic

The COVID-19 pandemic caused disruptions in the Philippine and global economy and financial markets, as well as the Company's financial performance, among others. While the Company has implemented and complied with government health and safety protocols to mitigate the adverse effects of the pandemic, the duration and extent of these effects are beyond the control of the Company. As of the date of this Prospectus, quarantine restrictions have been lifted in the Philippines.

As the country started to adjust and recover from the pandemic, the Philippine economy posted a growth of 7.2% in the fourth quarter of 2022 and a full-year GDP growth rate of 7.6% in 2022. The main contributors to the growth for the fourth quarter were: wholesale and retail trade; repair of motor vehicles and motorcycles (8.7%), financial and insurance activities, 9.8 percent; and manufacturing (4.2%). Among the major economic sectors, industry and services posted positive growths of 4.8% and 9.8%, respectively, while agriculture, forestry, and fishing posted a contraction of -0.3 percent in the fourth quarter of 2022. On the demand side, Household Final Consumption Expenditure improved by 7.0% alongside Gross Capital Formation (5.9%); Exports (14.6%); Imports (5.9%); and Government Final Consumption Expenditure (3.3%). Gross National Income also posted a growth of 9.3% in the fourth quarter of 2022 for a full year growth of 9.9%.

The World Bank, for its part, sees a slower paced growth for 2023 with its updated Gross Domestic Product ("GDP") growth forecast for the Philippines of 5.4%, largely due the slowdown of growth of exports to major markets. Their 2024 outlook trended higher at 5.9% but still below the official 2024-2028 goal of 6.5-8.0 percent.

There is no assurance that community quarantine measures will not be re-imposed in the future. Due to numerous uncertainties and factors beyond its control, the Company is unable to predict the impact that COVID-19 will have going forward on its businesses, results of operations, cash flows, and financial condition. These factors and uncertainties include, but are not limited to:

- the severity and duration of the pandemic or other additional periods of increases or spikes in the number of COVID-19 cases in future periods in areas in which the Company operates;
- the duration and degree of governmental, business or other actions in response to the pandemic, including but not limited to quarantine, stay-at-home or other lockdown measures;
- restrictions on operations up to and including complete or partial closure of offices;
- economic measures, fiscal policy changes, or additional measures that have not yet been effected;
- the health of, and effect of the pandemic on, the Company's personnel and the Company's ability to maintain staffing needs to effectively operate its businesses;
- evolving macroeconomic factors, including general economic uncertainty, unemployment rates, and recessionary pressures;
- the impact of the pandemic and related economic uncertainty on consumer confidence, economic well-being, spending, and shopping behaviors, both during and after the crisis;
- impacts—financial, operational or otherwise—on the Company's supply chain, including manufacturers or suppliers of products and logistics or transportation providers, and on the Company's service providers or third-party contractors;
- volatility in the credit and financial markets during and after the pandemic;
- the impact of any litigation or claims from customers, suppliers, regulators or other third parties relating to COVID-19 or the Company's actions in response thereto;
- the pace of recovery when the pandemic subsides; and
- the long-term impact of the pandemic on the Company's businesses.

The above factors and uncertainties, or others of which the Company is not currently aware, may result in adverse impacts to the Company's businesses, results of operations, cash flows, and financial condition.

The vaccination drive in the country started on February 15, 2021 and as of the date of this Prospectus, the Philippines has administered [166.55] million doses of the vaccine, with [73.9] million people fully vaccinated representing [64]% of the total population of the country.

For the Company's real estate business, the pandemic and its disruption of global supply chains have affected construction activities, with shortages of raw materials and other inputs and workers. Some building material supply chains have suspended production and distribution. There was a delay in the construction as well as costs increased as many factories have been closed for extended periods. Limited transportation and travel bans also slowed the project delivery and labor shortages have been a problem for the real estate sector since the government imposed community quarantine restrictions.

The extent to which the COVID-19 pandemic may impact the Company will depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19, in the Philippines and internationally, by governments, central banks, healthcare providers, health system participants, other businesses, and individuals, all of which are highly uncertain and unpredictable. To the extent the COVID-19 pandemic adversely affects the business and financial results of the Company, it may also have the effect of heightening many of the other risks described in this Prospectus.

Availability of Raw Materials from Suppliers

All of the Company's raw materials are sourced from domestic Philippine suppliers primarily from manufacturers or distributors. Local suppliers primarily source its inventory from China and any supply chain disruption will have a material effect to the Company's delivery of its products.

In terms of cost of raw materials, steel and cement account for 51% of the building cost. The balance is accounted for by roofing, windows, and other finishing materials and accessories.

Details of the Company's suppliers are further detailed in page [101].

To mitigate risks in the delivery of key suppliers of necessary materials to the Company, a stringent process of selection is undertaken based on a number of criteria, including assessment of company background, accreditations, quality of materials, list of finished projects and past customers.

The Company is not dependent on any single supplier and always maintains alternative material and supplier options.

The Company's business activities are conducted in the Philippines and most of its projects are currently located in South Luzon, which exposes the Company to concentration risks.

Historically, the Company has derived primarily all of its revenue from the sale of real estate assets in the Philippines, specifically in South Luzon. Its business is highly dependent on the state of the Philippine economy and the growth for the said region. Demand for, and prevailing prices of real estate assets are directly related to the strength of the Philippine economy (including overall growth levels and interest rates), the overall levels of business activity in the Philippines, the overall employment levels in the Philippines and the level of remittances received from OFWs. On a regional level, the growth of the South Luzon area and the expected demand for real estate assets in the area is critical given the Company's focus in building more developments within the area. Historically, the Philippines has periodically experienced economic downturns. For example, the general slowdown of the global economy in 2008 and 2009 had a negative effect on the Philippine economy, which in turn had a negative effect on the Philippine property market as property sales declined.

Though there is no direct mitigant associated with the Company's operations being purely domestic, the Company takes comfort in the strong macroeconomic fundamentals of the Philippines and its product being considered a necessity by buyers. Despite the challenges brought about by the COVID-19 pandemic and Russia-Ukraine war, the Company was able to post a topline growth of 64% to ₱1.37 Billion from 2021 to 2022. This is a testament to the strong demand for the Company's more spacious house and lot units albeit the economic uncertainty. The result also shows the Company's ability to pivot its selling activities to take into consideration impacts brought about by the pandemic, geopolitical and economic issues.

Its focus to South Luzon is intentional given the strong growth of the region with the region even registering a 7.2% GDP growth in 2022, the highest among all regions in the Philippines. South Luzon is also very accessible to Metro Manila paving the way for many areas to increasingly becoming more urbanized. The Company is starting to look for avenues to diversify the locations of its projects as reflected in its pipeline projects in Bulacan and potentially in Visayas and Mindanao.

The Company's buyers rely on HDMF financing in their purchase of Ovaland's products.

Under its business and operating model, and based on the Company's current buyers, the Company requires the prospective purchaser to apply with the HDMF or accredited Banks for take-up of the loan obligation. The Company may also transfer loan portfolios directly to the HDMF or accredited Banks on behalf of its customers. Currently, 98% of Ovaland clients are financing their purchase of the Company's products through HDMF. Should the HDMF grant the prospective buyer's application, it would then grant a home loan to the prospective buyer (to pay for the purchase price of the Premium Affordable Housing unit) and transfer the loan amount to the Company or the subsequent owner of the relevant receivable. However, due to the number of applications pending with the HDMF at any one time, there are often delays in the processing of these loan take-ups. Furthermore, the HDMF may also deny loans for various reasons, such as incomplete documents and insufficient equity ownership (through prior payment of principal), among others. In addition, other factors, such as review of titles by banks that purchase receivables from the Company, may also delay the financing process. Furthermore, if the loans are held as collateral by banks, then the banks need time to pass the titles, which could cause delays. Depending on the degree of any such delays or denials, and the amounts of the loans and number of customers involved, these could have a material adverse effect on the Company's liquidity because the home buyer loans would be retained on the Company's books as receivables and delay its cashflow. Moreover, in the event that the HDMF completely ceases the take-up of these loans, the Company would have to keep these loans for a significant portion of time and may encounter difficulty in selling these loans to other financial institutions. Any of these events may have a material adverse effect on the Company's financial condition and results of operations.

To mitigate this risk, the Company relies on its industry experience and in-depth knowledge and understanding of the needs, preferences, means and constraints of the Premium Affordable Housing segment customer base. Prior to reservation, trained sales specialists already conduct the first layer of screening their potential clients by asking for pertinent income documents. If a client is unable to produce acceptable proof of income, the sales specialists inform the interested buyer and

ask them to return once they already have the requirements. Upon reservation, the Sales Officers of Ovialand conduct a thorough explanation to the clients to discuss the details of the sale, and that their housing loan application is contingent to the approval of their desired financing institution. In conducting such assessments, Ovialand does not guarantee or give false-hope to its clients by assuring them an approval. The Company also conducts credit and background checks for all its buyers upon reservation and has developed a comprehensive collection platform comprising policies, systems, and mechanisms focused on collection efficiency and the mitigation of payment delinquency.

Historically, the Company has had a mutualistic and growing relationship with the HDMF, even being granted the status of a Prime Developer of the institution. It has historically successfully grown its HDMF takeout volumes a testament to the Company's efficient process of determining HDMF-eligible buyers.

| | Full Year 2020 | | | Full Year 2021 | | | Full Year 2022 | | |
|-----------------------------|----------------|--------------------------|------------------|----------------|--------------------------|------------------|----------------|--------------------------|------------------|
| | # of Units | Loan Amount (P Millions) | TCP (P Millions) | # of Units | Loan Amount (P Millions) | TCP (P Millions) | # of Units | Loan Amount (P Millions) | TCP (P Millions) |
| Corporate wide Takeouts | - | 63,750 | - | - | 100,800 | - | 105,212 | 117,850 | - |
| Southern Luzon Takeouts | 7,468 | 6,949 | - | 12,972 | 12,593 | - | 14,452 | 15,825 | - |
| <i>Ovialand Performance</i> | | | | | | | | | |
| HDMF Financing | 231 | 423.72 | 435.10 | 439 | 819.87 | 828.70 | 601 | 1,262.8 | 1,359 |
| Bank Financing | - | - | - | - | - | - | 3 | 6.3 | 7.6 |
| Cash Buyer | - | - | - | 2 | - | 4.4 | 13 | - | 29.4 |
| Total | 231 | 423.72 | 435.10 | 441 | 819.87 | 833.10 | 617 | 1,269.1 | 1,396 |

To further mitigate this risk, Ovialand also has accreditations for end-buyer financing with BPI and BDO which are offered to its buyers as alternative loan financing. Ultimately, buyer's screening and qualification is a crucial step in the selling process to minimize the aforesaid risk

The real estate business is a highly competitive industry.

The Company is primarily engaged in the business of horizontal middle-income real estate residential developments. According to a market study by Santos Knight Frank, in the cities and municipalities of Laguna located along the fringe of Quezon province where the Company's current developments are situated, developers are predominantly local based which are mainly focused on socialized, economic and medium-cost housing projects.

In the event the Company's competitors are able to secure better locations or develop, market and sell more attractive properties than the Company, or if the Company is unable to properly gauge the market for its properties, then the Company's results of operations and prospects may be negatively impacted.

Some competitors may also have substantially greater financial and other resources, which may allow them to undertake more aggressive marketing and to react more quickly and effectively to changes in the markets.

To manage this risk, the Company continues its active land acquisition and development activities of its Premium Affordable Housing in key growth areas. The Company continuously looks for growth opportunities in different geographic areas to further expand its customer base.

The Company's liquidity and financial results are dependent on the implementation and success of various measures to manage its liquidity risk.

The Company adopts various measures to manage its liquidity risk. For example, the Company developed a comprehensive collection platform comprising policies, structures, systems, organizations and mechanisms focused on collection efficiency and the mitigation of payment delinquency. To ensure a reliable and consistent liquidation of its receivables, the Company enters into wholesale end-user loan take-up arrangements with institutions such as the HDMF and Banks. The Company also ensures each project it launches will have an available working capital mix of equity and debt to allow it to

continuously deliver the projects according to schedule. As such, the Company also has approved lines from banks that it can utilize for its liquidity requirements.

Ovialand Inc. Key Working Capital Ratios:

| (in ₱ Million) | 2019 | 2020 | 2021 | 2022 |
|-----------------------------|--------|--------|--------|--------|
| Current Assets | 415 | 668 | 1,014 | 1,430 |
| Current Liabilities | 243 | 423 | 578 | 470 |
| Current Ratio | 1.71 | 1.58 | 1.75 | 3.04 |
| Days Receivable Outstanding | 66.61 | 99.74 | 78.82 | 67.48 |
| Days Inventory Outstanding | 202.05 | 517.04 | 405.80 | 295.79 |
| Days Payable Outstanding | 72.86 | 267.76 | 232 | 144.75 |

The Company believes that its working capital ratios are better than the ratios of its peers servicing the same industry segment thus showing better management of its working capital.

The inability to manage its receivables portfolio could lead to a situation where the Company does not have sufficient cash to pay its obligations as they come due or have insufficient cash to meet its expansion strategy. If any of the Company's means of managing its liquidity risks is unsuccessful, the result could have a material adverse effect on the Company's business, financial condition and results of operations.

Customer Default

The Company's revenues are related to its successful sales and collection from its customers. Currently, 99.5% of the Company's customers avail of Bank or Pag-IBIG Fund financing and the Company only collects equity of 5% to 10% of selling price while the balance is financed directly by Pag-IBIG Fund or Banks. Cash buyers make up only 0.5% of customers and are given only a maximum term of 12 months to amortize. The inability of the Company's customers to continuously pay amortizations for its products affects the company's revenue performance and its liquidity.

To mitigate this risk, the company has established a strict buyer's orientation discussion that explains in detail the duties and responsibilities of the clients when it comes to payment of monthly amortizations. Even prior to loan take-out, the Account Officer discusses the responsibilities entailed in applying for a long-term housing loan. The company's Billing Department issues consistent reminders to its buyers for continued payments and has established a cancellation process for any possible defaulting customer. Cash buyers are also required to provide post-dated checks and can only move-in after paying 50% of the selling price. To further mitigate this risk, the Company has entered into end-buyer financing arrangements with Pag-IBIG Fund, BDO and BPI so that buyers can secure their financing allowing them to make full payment for the company's products.

The real estate industry in the Philippines is capital intensive, and the Company may be unable to readily raise necessary amounts of funding to acquire new land or complete existing projects.

The real estate industry in the Philippines is capital intensive, and market players are required to incur significant expenditures to acquire land for development, complete existing projects and commence construction on new developments. For the years 2020, 2021, and 2022 the Company spent ₱140.7 million ₱148.6 million, and ₱199.7 million, respectively, for land banking expenditures for its real estate development projects.

Historically, the Company has funded a significant portion of its capital expenditure requirements as well as steady growth from its real estate revenues, it has periodically utilized external sources of financing. There can be no assurance that, to complete its planned projects or satisfy its other liquidity and capital resources requirements, the Company will be able to obtain sufficient funds at acceptable rates to fund its capital expenditure requirements, or that it will be able to obtain sufficient funds at all. Failure to obtain the requisite funds could delay or prevent the acquisition of land, completion of old projects or commencement of new projects and materially and adversely affect the Company's business, financial condition and results of operations.

The Company believes, however, that it has consistently demonstrated prudence in managing its financial requirements, continuously striving to be efficient in utilizing its capital. For instance, in the case of land acquisition, while the Company's real estate revenue has increased by 280% since 2019, the Company's land bank has increased by [109]%, from 20.4

hectares in 2019 to 42.6 hectares in 2022. It has also demonstrated continued improvements to its current ratio from 1.71:1 in 2019 to 3.05:1 in 2022 and solvency ratio from 1.2:1 in 2019 to 1.78:1 in 2022.

A portion of demand for the Company's products is from OFWs, which exposes the Company to risks relating to the performance of the economies of the countries where these potential customers are located.

Sales to OFs, including OFWs and Filipino expatriates, generate a portion of the demand for the Company's housing and land development projects. In addition, unnamed OFWs may provide financial support to named buyers who are located in the Philippines. A number of factors could lead to, among other effects, reduced remittances from OFWs, a reduction in the number of OFs or a reduction in the purchasing power of OFs. These include:

- an appreciation of the Philippine peso, which would result in decreased value of the other currencies transmitted by OFs;
- any difficulties in the repatriation of funds;
- a downturn in the economic performance of the countries and regions where a significant number of these potential customers and supporters are located, such as the United Arab Emirates, the Kingdom of Saudi Arabia, United States of America, Canada, Taiwan, Singapore, and Republic of Korea;
- a change in Government regulations that currently exempt the income of OFWs from taxation in the Philippines;
- the imposition of restrictions by the Government on the deployment of OFWs to particular countries or regions, such as the Middle East;
- and restrictions imposed by other countries on the entry or the continued employment of foreign workers.

Any of these events could adversely affect demand for the Company's projects from OFWs, which could materially and adversely affect its business, financial condition or results of operations.

In 2022, OFWs constitute around 26% of Ovaland's client base. These clients are mostly professional and career pathed individuals such as nurses, doctors, accountants, engineers, etc. Ovaland's OFW market is currently spread out in North America (40%), Middle East (30%), Europe (10%) and Asia (15%) and other countries (5%). To mitigate this risk, the Company is continuously educating its sellers to reach more locally employed homebuyers by providing training that will enable sellers to focus more on the locally employed market. Starting 2023 onwards, Ovaland aims to balance this by targeting up to 80% -locally employed base and 20% for the OFW market.

The Company's focus on residential housing and land development exposes it to sector-specific risks, including competition in the Philippine residential real estate industry.

The housing market involves significant risks distinct from those involved in the ownership and operation of established properties, including the risk that the Company may invest significant time and money in a project that may not attract sufficient levels of demand in terms of anticipated sales, and which may not be commercially viable. The Company's results of operations are therefore dependent, and are expected to continue to be dependent, on the continued success of its residential and land development projects.

Additionally, the Philippine residential real estate industry is highly competitive. The Company's income from, and market values of, its real estate projects are largely dependent on these projects' popularity when compared to similar types of projects in their areas, as well as on the ability of the Company to correctly gauge the market for its projects. Important factors that could affect the Company's ability to effectively compete include a project's relative location versus that of its competitors, particularly to transportation facilities and commercial centers, the quality of the housing and related facilities offered by the Company, price and payment terms of the project, available financing for the homebuyer and the overall attractiveness of the project. The time and costs involved in commencing or completing the development and construction of residential projects can be affected by many factors, including shortages of materials, equipment and labor, adverse weather conditions, natural disasters, labor disputes with contractors and subcontractors, timing of required approvals and the occurrence of other unforeseeable circumstances. Any of these factors could result in project delays and cost overruns, which could negatively affect the Company's revenues and margins. Moreover, failure by the Company to complete construction of a project to its planned specification or schedule may result in contractual liabilities to purchasers and lower returns, all of which could have a material adverse effect on the Company's business, financial condition and results of operations.

For information on how the Company mitigates this risk, please see discussion on "Strengths and Strategies" as well as the discussion on the Competition on pages [74] and [95].

Competition for the acquisition of land for new projects and risks relating to the management of its land bank, including fluctuations in demand and prices, may adversely affect the Company's business.

The Company's future growth and development are dependent, in part, on its ability to acquire additional tracts of land suitable for the Company's future real estate projects. When the Company attempts to locate sites for development, it may experience difficulty locating parcels of land of suitable size in locations and at prices acceptable to the Company, particularly parcels of land located in areas surrounding Metro Manila and in other urban areas throughout the Philippines. Furthermore, land acquired by the Company may have pre-existing tenets or obligations that prevent immediate commencement of new developments. In the event the Company is unable to acquire suitable land at prices and in locations that could translate into reasonable returns, or at all, its growth prospects could be limited, and its business and results of operations could be adversely affected.

In addition, the risks inherent in purchasing and developing land increase as consumer demand for residential real estate decreases. The market value of land, subdivision lots and housing inventories can fluctuate significantly as a result of changing market conditions. There can be no assurance that the measures the Company employs to manage land inventory risks will be successful. In the event of significant changes in economic, political, security or market conditions, the Company may have to sell subdivision lots and housing and condominium units at significantly lower margins or at a loss. Changes in economic or market conditions may also require the Company to defer the commencement of housing and land development projects. Any of the foregoing events would have a material adverse effect on the Company's business, financial condition and results of operations.

The Company faces certain risks related to the cancellation of sales involving its residential projects and, if the Company were to experience a material number of sales cancellations, the Company's historical revenue would be overstated.

As a developer and seller of residential real estate, the Company's business, financial condition and results of operations could be adversely affected in the event a material number of horizontal subdivisions are canceled.

The Company is subject to Republic Act No. 6552 (the "Maceda Law"), which applies to all transactions or contracts involving the sale or financing of real estate through installment payments, including residential condominium units and horizontal residential units. Under the Maceda Law, buyers who have paid at least two years of installments are granted a grace period of one month for every year of paid installments to cure any payment default. If the contract is cancelled by the Company, the buyer is entitled to receive a refund of at least 50% of the total payments made by the buyer, with an additional 5% per annum in cases where at least five years of installments have been paid (but with the total not to exceed 90% of the total payments). Buyers who have paid less than two years of installments and who default on installment payments are given a 60-day grace period to pay all unpaid installments before the sale can be cancelled, but without the right of refund.

While the Company historically has not experienced a material number of cancellations to which the Maceda Law has applied, there can be no assurance that it will not experience a material number of cancellations in the future, particularly during slowdowns or downturns in the Philippine economy. In the event the Company does experience a material number of cancellations, it may not have enough funds on hand to pay the necessary cash refunds to buyers or it may have to incur indebtedness in order to pay such cash refunds. The Company may also experience losses relating to these cancellations. In addition, particularly during an economic slowdown or downturn, there can be no assurance that the Company would be able to re-sell the same property or re-sell it at an acceptable price or at all. Any of the foregoing events would have a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, in the event the Company experiences a material number of sales cancellations, the Company's historical revenues would have been overstated because such historical revenue would not have accurately reflected subsequent customer defaults or sales cancellations. As a result, the Company's historical income statements are not necessarily accurate indicators of the Company's future revenue or profits.

To mitigate this risk, the Company relies on end-user financing through the Home Development Mutual Fund and bank partners. The Company has also adopted a strategy to promote home ownership in the Premium Affordable Housing segment by continuing to develop financing products tailored to the specific needs, requirements and financial situation of its customers.

The Company may not be able to successfully manage its growth or expansion strategies.

The Company intends to continue to pursue an aggressive growth strategy for its residential property business. To this end, the Company currently has five [5] ongoing projects, as of [February 28, 2023], and is expecting to startup four [4] new

projects in 2023. The Company's growth strategy for its housing and land development business may require the Company to manage additional relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties. This substantial growth in projects will also require significant capital expenditure, which may entail taking on additional debt or equity to finance housing and land development projects.

There can be no assurance that, in the course of implementing its growth strategy, the Company will not experience capital constraints, delays in obtaining relevant licenses and permits, construction delays, operational difficulties at new operational locations or difficulties in operating existing businesses and training personnel to manage and operate the expanded business. The Company may also experience delays resulting from its current strategy of engaging a limited number of contractors for its construction operations. See "Independent contractors may not always be available, and once hired by the Company, may not be able to meet the Company's quality standards or to complete projects on time and within budget." Any inability or failure to adapt effectively to growth, including strains on management and logistics, could result in losses or development costs that are not recovered as quickly as anticipated, if at all. These problems could have a material adverse effect on the Company's reputation and on its business, results of operations or financial condition.

The Company believes that its industry experience has equipped it and its management with in-depth knowledge and understanding of the needs, preferences, means and constraints of the Premium Affordable Housing segment customer base. The Company also has an experienced management team to mitigate this risk and manage the Company's resources and requirements.

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

Company relies on independent contractors to provide various services, including land clearing, infrastructure development and various construction projects. In particular, the Company relies mainly on independent contractors to complete the construction for substantially all of its projects. Should the contractors mentioned become unable to perform with respect to their contracted scope of work, or are unable to expand at a sufficiently quick pace needed to meet the Company's demands, there can be no assurance that the Company will be able to find or engage an independent contractor for any particular project or find a contractor that is willing to undertake a particular project within the Company's budget and schedule, which could result in costs increases or project delays.

Furthermore, although the Company's personnel actively supervise the work of independent contractors, there can be no assurance that the services rendered by any of its independent contractors will always be satisfactory or match the Company's requirements for quality and timing. Contractors may also experience financial or other difficulties up to insolvency, and shortages or increases in the price of construction materials or labor may occur, any of which could delay the completion or increase the cost of certain housing and land development projects, and the Company may incur additional costs as a result thereof. Any of these factors could have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate this risk, the Company performs due diligence and prudently selects its network of accredited contractors, and closely monitors the development of each project.

Increased inflation, fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on the Company's and its customers' ability to obtain financing.

Interest rates, and factors that affect interest rates, such as the Government's fiscal policy, could have a material adverse effect on the Company and on demand for its products. For example:

- Higher interest rates make it more expensive for the Company to borrow funds to finance ongoing projects or to obtain financing for new projects.
- Because the Company believes that a substantial portion of its customers procure financing to fund their property purchases, higher interest rates make financing, and therefore purchases of real estate, more expensive, which could adversely affect demand for the Company's residential projects.
- If the Government significantly increases its borrowing levels in the domestic currency market, this could increase the interest rates charged by banks and other financial institutions and also effectively reduce the amount of bank financing available to both prospective property purchasers and real estate developers, including the Company.
- The Company's access to capital and its cost of financing are also affected by restrictions, such as single borrower limits, imposed by the BSP on bank lending. If the Company were to reach the single borrower

limit with respect to their current or preferred bank or banks, the Company may have difficulty-obtaining financing on the same or similar commercial terms from other banks.

- Increased inflation in the Philippines could result in an increase in raw materials costs, which the Company may not be able to pass on to its customers as increased prices or to its contractors by having the Company's contractors absorb raw material cost increases.

The occurrence of any of the foregoing events, or any combination of them, or of any similar events could have a material adverse effect on the Company's business, financial condition and results of operations.

Though such macroeconomic risks are uncontrollable, to mitigate such risks, the Company relies on its competitive advantages and key business strategies. For further discussion, please refer to pages [74 and 95].

Titles over land owned by the Company may be contested by third parties.

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

To mitigate these risks, the Company undertakes due diligence in its acquisition of parcels of land.

Nevertheless, if third-party claims are brought against the Company, or any such claims involve land that is material to the Company's housing and land development projects, the Company's management may be required to devote significant time and incur significant costs in defending the Company against such claims. Such circumstances may have a material adverse effect on the Company's business, financial condition, and results of operations, and have a material effect, as well, on its business reputation.

The Company faces risks relating to project cost and completion.

Property development projects require substantial capital expenditures prior to and during the construction period for, among other things, land acquisition and construction. Construction of property projects may take as long as a year or longer before generating positive net cash flow through sales. As a result, the Company's cash flows, and results of operations may be significantly affected by its project development schedules and any changes to those schedules. Other factors that could adversely affect the time and the costs involved in completing the development and construction of the Company's projects include:

- natural catastrophes and adverse weather conditions;
- changes in market conditions, economic downturns, unemployment rate, and decreases in business and consumer sentiment in general;
- delays in obtaining government approvals and permits;
- delays in completion of its prior projects, which would create shortages of contractors and skilled labor due to the Company's regular use of a limited number of contractors (see "Independent contractors may not always be available, and once hired by the Company, may not be able to meet the Company's quality standards or to complete projects on time and within budget.");
- changes in laws or in Government priorities;
- timing of commencement of the projects;
- relocation of existing residents and/or demolition of existing constructions;
- shortages of materials and equipment;
- labor disputes with contractors and subcontractors;
- construction accidents;
- errors in judgment on the selection and acquisition criteria for potential sites;
- lack of familiarity with high-rise projects; and
- other unforeseen problems or circumstances.

Any of these factors could result in project delays and cost overruns, which may harm the Company's reputation as a property developer or lead to cost overruns or loss of or delay in recognizing revenues and lower margins. This may also result in sales and resulting profits from a particular development not being recognized in the year in which it was originally expected to be recognized, which could adversely affect the Company's results of operations for that year. Furthermore, the failure by the Company to complete construction of a project to its planned specifications or schedule may result in contractual liabilities to purchasers and lower returns. The Company cannot provide any assurance that it will not

experience any significant delays in completion or delivery of its projects in the future or that it will not be subject to any liabilities for any such delays.

To mitigate this risk, the Company seeks to improve its construction efficiencies in part by adding more mechanization and by standardizing the sizes of its building components. Furthermore, the Company currently utilizes pre-cast technology in building its houses. Such technology is efficient and highly scalable allowing the Company to deliver houses within six (6) to nine (9) months from client reservation.

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

If any of the Company's projects experience construction or infrastructure failures, design flaws, significant project delays, quality control issues or otherwise, this could have a negative effect on the Company's reputation and make it more difficult to attract new customers to its new and existing housing and land development projects making it difficult to sell such projects. This would impair the Company's ability to reduce its inventory and working capital requirements. The Company cannot provide any assurance that such events will not occur in a manner that would adversely affect its results of operations or financial condition.

To address this risk, the Company's overall business strategy is geared towards the speedy delivery of quality homes to its customers. Further, the Company prudently monitors the development of each stage of each project, from project inception up to project turnover, to quickly address possible completion risks.

The Company uses exclusive external third-party brokers to sell all its residential housing and land development projects.

The Company uses partner external third-party brokers to market and sell all its residential housing and land development projects to potential customers. If these brokers do not meet their requisite sales targets, the Company's business, financial condition and results of operations could be adversely affected. Moreover, there is competition for the services of third-party brokers in the Philippines and many of the Company's competitors may attempt to recruit brokers away from the Company. If a large number of these third-party brokers were to cease selling for the Company, the Company would be required to seek other external brokers, and there can be no assurance that the Company could immediately recruit a new set of brokers that can competently sell the products to the correct target market. Also, negative publicity on the Company's third-party brokers may spill over and have a negative effect on the Company's reputation. Furthermore, with the passage of R.A. No. 9646 or the Real Estate Service Act of the Philippines and its Implementing Rules and Regulations, more stringent requirements are now being imposed in respect of the practice of real estate service, as well as the qualifications and licensing of real estate service practitioners. There can be no assurance that the imposition of these requirements will not affect the real estate service practice of the Company, or its ability to retain its existing third-party brokers or identify new third party brokers. These factors could disrupt the Company's business and negatively affect its financial condition, results of operations and prospects.

To mitigate this risk, Ovialand employs Sales Managers whose responsibilities include to consistently recruit, train and develop partner brokers and sales agents for the Company. This allows the Company to always have a new stream of competent sellers with various networks to reach the target market of homebuyers. Furthermore, since Sales Managers are directly employed by the Company, they are able to immediately disseminate and implement new policies, programs, incentives and quotas to their set of brokers and sellers thru monthly sales trainings and meetings.

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

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

In 2016, an executive order imposing a two-year moratorium on the processing of the applications for the land use conversion of agricultural lands was recommended by DAR to be signed by President Duterte. The moratorium will allow the preservation of prime agricultural lands and ensure food security. However, to date, the executive order is yet to be signed and issued. It is alleged that the moratorium is facing stiff opposition from President Duterte's economic managers.

Once signed, the moratorium may delay the implementation of the Company's proposed projects because the supply of land available for development may be limited. This may further lead to an increase in the acquisition cost of land and the development cost of the Company's projects.

In July 2019, Senate Bill No. 256 or the Agricultural Land Conversion Ban Bill was filed, which seeks to prohibit the conversion of irrigated and irrigable agricultural lands for non-agricultural uses. If passed into law, the ban may delay the implementation of the Company's proposed projects because the supply of land available for development may be limited. This may further lead to an increase in the acquisition cost of land and the development cost of the Company's projects. As of September 9, 2019, the bill is pending before Senate Committees on Local Agriculture, Food, and Agrarian Reform.

Meanwhile, Presidential Decree No. 957, as amended, ("**P.D. 957**") and B.P. 220 are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision. P.D. 957 and B.P. 220 cover subdivision projects for residential, commercial, industrial, or recreational purposes and condominium projects for residential or commercial purposes. The Department of Human Settlements and Urban Development ("**DHSUD**") is the administrative agency of the Government which enforces these statutes. Regulations applicable to the Company's operations include standards regarding:

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

All subdivision development plans are required to be filed with and approved by the local government unit with jurisdiction over the area where the project is located. Approval of development plans is conditioned on, among other things, completion of the acquisition of the project site and the developer's financial, technical and administrative capabilities and donation of roadways to and other easements in favor of the relevant government agencies. Alterations of approved plans that affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant government unit. There can be no assurance that the Company, its associates or partners will be able to obtain governmental approvals for its projects or that when given, such approvals will be in accordance with the Company's planned timing for the relevant project and will not be later revoked. Any non-receipt or delay in receipt of approvals could affect the Company's ability to complete projects on time or at all.

In addition, owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of subdivision lots and housing and condominium units. Project permits and any license to sell may be suspended, cancelled or revoked by the DHSUD based on its own findings or upon complaint from an interested party and there can be no assurance that the Company, its associates or partners will in all circumstances, receive the requisite approvals, permits or licenses or that such permits, approvals or licenses will not be cancelled or suspended. Any of the foregoing circumstances or events could affect the Company's ability to complete projects on time, within budget or at all, and could have a material adverse effect on its financial condition and results of operations.

The Company is in constant consultation with relevant government agencies and other approving bodies to ensure that all requirements, permits, and approvals are anticipated and obtained in a timely manner. The Company believes it has an established compliance culture and has processes in place to manage adherence to laws and regulations.

Environmental laws applicable to the Company's projects could have a material adverse effect on its business, financial condition or results of operations.

In general, developers of real estate projects are required to submit project descriptions to regional offices of the Department of Environment and Natural Resources ("**DENR**"). For environmentally sensitive projects or at the discretion of the regional office of the DENR, a detailed Environmental Impact Assessment ("**EIA**") may be required, and the developer will be required to obtain an Environmental Compliance Certificate ("**ECC**") to certify that the project will not have an unacceptable environmental impact. There can be no assurance that current or future environmental laws and regulations applicable to the Company will not increase the costs of conducting its business above currently projected levels or require

future capital expenditures. In addition, if a violation of an ECC occurs or if environmental hazards on land where the Company's projects are located cause damage or injury to buyers or any third party, the Company may be required to pay a fine, to incur costs in order to cure the violation and to compensate its buyers and any affected third parties. The Company cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of, or changes in, laws and regulations applicable to the Company's business could have a material adverse effect on its business, financial condition and results of operations.

The Company is in constant consultation with relevant government agencies and other approving bodies to ensure that all requirements, permits, and approvals are anticipated and obtained in a timely manner. The Company believes it has an established compliance culture and has processes in place to manage adherence to laws and regulations.

The loss of certain tax exemptions and incentives will increase the Company's tax liability and decrease any profits the Company might have in the future.

The Company benefits from provisions under Philippine law and regulations which exempt sales of residential lots with a gross selling price of ₱1.5 million or less and sales of residential houses and lots with a gross selling price of ₱2.5 million or less from the VAT of 12%. However, under the TRAIN Law which amended certain provisions of the Tax Code, beginning January 1, 2021, the VAT exemption shall only apply to (i) sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of business; (ii) sale of real property utilized for socialized housing as defined by Republic Act No. 7279; and (iii) sale of house and lot, and other residential dwellings with selling price of not more than ₱2 million as adjusted to ₱3,199,200.00 in 2011 using the 2010 Consumer Price Index values as provided under Revenue Regulation No. 8-2021.

There is no assurance that laws and regulations removing the VAT exemption for socialized housing will be passed and enacted in the future. If the VAT exemptions are removed, the selling prices for the Company's subdivision lots and housing and condominium units may increase, which could adversely affect the Company's sales. Because taxes such as VAT are expected to have indirect effects on the Company's results of operations by affecting general levels of spending in the Philippines and the prices of subdivision lots and houses, any adverse change in the Government's VAT-exemption policy could have an adverse effect on the Company's results of operations.

For information on how the Company mitigates this risk, please see discussion on "Strengths and Strategies" on page [74].

Construction defects and other building-related claims

Philippine law provides that property developers, such as the Company, warrant the structural integrity of houses that were designed or built by them for a period of fifteen (15) years from the date of completion of the house. The Company may also be held responsible for hidden (i.e., latent or non-observable) defects in a house sold by it when such hidden defects render the house unfit for the use for which it was intended or when its fitness for such use is diminished to the extent that the buyer would not have acquired it or would have paid a lower price had the buyer been aware of the hidden defect. This warranty may be enforced within six months from the delivery of the house to the buyer. In addition, the Building Code, which governs, among others, the design and construction of buildings, sets certain requirements and standards that must be complied with by the Company. The Company or its officials may be held liable for administrative fines or criminal penalties in case of any violation of the Building Code.

There can be no assurance that the Company will not be held liable for damages, the cost of repairs, and/or the expense of litigation surrounding possible claims or that claims will arise out of uninsurable events, such as landslides or earthquakes, or circumstances not covered by the Company's insurance and not subject to effective indemnification agreements with the Company's contractors. Neither can there be any assurance that the contractors hired by the Company will be able to either correct any such defects or indemnify the Company for costs incurred by the Company to correct such defects. In the event a substantial number of claims arising from structural or construction defects arise, this could have a material adverse effect on the Company's reputation and on its business, financial condition and results of operations.

To ensure that the construction of houses is built to specification, the Company's quality control and monitoring group inspects the houses and provides immediate feedback to the Construction group to address. The independence of the Quality Control team with the Sales and Marketing team was set-up to rectify defects and complaints reported.

The Certificate of Acceptance Form is signed by customers before move-in to ensure that they are satisfied with the quality of the houses.

Natural or other catastrophes, including severe weather conditions, may materially disrupt the Company's operations, affect its ability to complete projects and result in losses not covered by its insurance.

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, droughts, volcanic eruptions and earthquakes. There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Company's operations. These factors, which are not within the Company's control, could potentially have significant effects on the Company's housing and land development projects, many of which are large, complex estates with infrastructure, such as buildings, roads and perimeter walls, which are susceptible to damage. Damage to these structures resulting from such natural catastrophes could also give rise to claims against the Company from third parties or from customers for physical injuries or loss of property. As a result, the occurrence of natural or other catastrophes or severe weather conditions may adversely affect the Company's business, financial condition and results of operations.

While the Company carries all-risks insurance during the project construction stage and requires all of its purchasers to carry fire insurance, the Company does not carry any insurance for certain catastrophic events, and there are losses for which the Company cannot obtain insurance at a reasonable cost or at all. Neither does the Company carry any business interruption insurance. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property, as well as the anticipated future turnover from such property, while remaining liable for any project construction costs or other financial obligations related to the property. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

For information on how the Company mitigates this risk, please see discussion on "Strengths and Strategies" on page [74].

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

The companies controlled by the Majority Shareholders have a number of commercial transactions with the Company. The Company had entered into a number of transactions with its related parties, which primarily consist of advances and reimbursements of expenses and sale and purchase of real estate properties and development and installment contract receivables and related other assets and assumption of related liabilities.

The transactions referred to above are described under "Related Party Transactions" and the notes to the Company's consolidated financial statements appearing elsewhere in this Prospectus. The Company expects that it will continue to enter into transactions with companies directly or indirectly controlled by or associated with the Majority Shareholders. These transactions may involve potential conflicts of interest which could be detrimental to the Company and/or its stakeholders. Conflicts of interest may also arise between the Company and the Majority Shareholders in a number of other areas relating to its businesses, including:

- Major business combinations involving the Company;
- Plans to develop the respective businesses of the Company; and
- Business opportunities that may be attractive to the Majority Shareholders and the Company.

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

To mitigate this risk, the related-party transactions are made on an arm's-length basis.

The Company is highly dependent on the continued service of its directors, members of senior management and other key officers.

The Company's directors, members of its senior management, and other key officers have been an integral part of its success, and the experience, knowledge, business relationships and expertise that would be lost should any such persons depart could be difficult to replace and may result in a decrease in the Company's operating efficiency and financial performance. Key executives and members of management of the Company include Giovanni Juzgaya Olivares, Marie Leonor Fatima O. Vital, and John Bryan A. Vital. If the Company loses the services of any such person and is unable to fill any vacant key executive or management positions with qualified candidates, or if the qualified individual takes time to learn the details of the Company, the Company's business and results of operations may be adversely affected.

The Company believes it maintains a positive relationship with its directors, members of senior management and other key officers.

The Company may be unable to attract and retain skilled professionals, such as architects, engineers and third-party contractors.

The Company's ability to plan, design and execute current and future projects depends on its ability to attract, train, motivate and retain highly skilled personnel, particularly architects, engineers and third-party contractors. The Company believes that there is significant demand for such personnel not only from its competitors but also from companies outside the Philippines, particularly companies operating in the Middle East. Any inability on the part of the Company in hiring and, more importantly, retaining qualified personnel could impair its ability to undertake project design, planning and execution activities in-house and could require the Company to incur additional costs by having to engage third parties to perform these activities.

The Company believes it maintains a positive relationship with its architects, engineers and third-party contractors. To attract and retain skilled professionals, the Company also provides a competitive compensation and benefits package.

Any deterioration in the Company's employee relations could materially and adversely affect the Company's operations.

The Company's success depends partially on the ability of the Company, its contractors and its third-party marketing agents to maintain productive workforces. Any strikes, work stoppages, work slowdowns, grievances, complaints or claims of unfair practices or other deterioration in the Company's, its contractors' or its third-party marketing agents' employee relations could have a material and adverse effect on the Company's financial condition and results of operations.

The Company believes it maintains a positive relationship with its employees through established organizational and employee policies and procedures that promote a good working environment and company culture.

The Company may, from time to time, be involved in legal and other proceedings arising out of its operations.

The Company may, from time to time, be involved in disputes with various parties involved in the construction and operation of its properties, including contractual disputes with contractors, suppliers, construction workers and homeowners or property damage or personal liability claims. Regardless of the outcome, these disputes may lead to legal or other proceedings and may result in substantial costs, delays in the Company's development schedule, and the diversion of resources and management's attention. The Company may also have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavorable decisions that result in penalties and/or delay the development of its projects. In such cases, the Company's business, financial condition, results of operations and cash flows could be materially and adversely affected.

To mitigate this risk, the Company shall endeavor to amicably settle the legal proceedings and exhaust all legal remedies available.

Disruptions in the financial markets could adversely affect the Company's ability to refinance existing obligations or raise additional financing, including equity financing.

Disruptions in the global financial markets in 2008 and 2009 resulted in a tightening of credit markets worldwide, including in the Asia Pacific region. Liquidity in the global and regional credit markets severely contracted as a result of these market disruptions, making it difficult and costly to refinance existing obligations or raise additional financing, including equity financing. While liquidity has increased and credit markets have improved since then, there can be no assurance that such conditions will not reoccur. If such conditions reoccur, it may be difficult for the Company to obtain additional financing on acceptable terms or at all, which may prevent the Company from completing its existing projects and future development projects and have an adverse effect on the Company's results of operations and business plans. If due to general economic conditions, the Company is unable to obtain sufficient funding to complete its projects in a feasible manner, or if management decides to abandon certain projects, all or a portion of the Company's investments to date on its projects could be lost, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The incurrence of additional debt to finance the Company's planned development projects could impair the Company's financial condition, results of operations and cash flows. The Company may need to incur additional debt to finance its expansion projects and future development projects. This indebtedness could have important consequences for the Company. For example, it could:

- make it more difficult for the Company to satisfy its debt obligations as they become due;
- increase the Company's vulnerability to general adverse economic and industry conditions;

- impair the Company's ability to obtain additional financing in the future for working capital needs, capital expenditures, development projects, acquisitions or general corporate purposes;
- require the Company to dedicate a significant portion of its cash flow from operations to the payment of principal and interest on its debt, which would reduce the funds available for the Company's working capital needs, capital expenditures or dividend payments;
- limit the Company's flexibility in planning for, or reacting to, changes in the business and the industry in which the Company operates;
- require the Company to comply with financial and other covenants that could impose significant restrictions on the Company's existing and future businesses and operations;
- place the Company at a competitive disadvantage compared to competitors that have less debt; and
- subject the Company to higher interest expense in the event of increases in interest rates as a significant portion of the Company's debt is and may continue to be at variable rates of interest.

Any of the above could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

For information on how the Company intends to maintain its business, strong financial conditions, results of operations and cash flows, please see discussion on "Strengths and Strategies" on pages [74].

RISKS RELATING TO THE PHILIPPINES

Any political instability in the Philippines may adversely affect the Company.

The Philippines has from time to time experienced severe political and social instability. The Philippine Constitution provides that, in times of national emergency, when the public interest so requires, the Government may take over and direct the operation of any privately owned public utility or business. In the last few years, there has been political instability in the Philippines, including impeachment proceedings against two former presidents and the chief justice of the Supreme Court of the Philippines, hearings on graft and corruption issues against various government officials, and public and military protests arising from alleged misconduct by previous and current administrations.

There can be no assurance that political violence will not occur in the future, and any such events could negatively impact the Philippine economy. An unstable political environment, whether due to the impeachment of government officials, imposition of emergency executive rule, martial law or widespread popular demonstrations or rioting, could negatively affect the general economic conditions and operating environment in the Philippines, which could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, the Company may be affected by political and social developments in the Philippines and changes in the political leadership and/or government policies in the Philippines. Such political or regulatory changes may include (but are not limited to) the introduction of new laws and regulations that impose vehicular volume reduction programs.

No assurance can be given that the political environment in the Philippines will remain stable and any political instability in the future could reduce consumer demand or result in inconsistent or sudden changes in regulations and policies that affect the Company's business operations, which could have an adverse effect on the results of operations and the financial condition of the Company.

There is no guarantee that future events will not cause political instability in the Philippines. Such instability may disrupt the country and its economy, as well as commercial traffic into and out of the Philippines, which could materially and adversely affect the Company's business, financial condition and results of operations. Acts of terrorism, clashes with separatist groups and violent crimes could destabilize the country and could have a material adverse effect on the Company's business and financial condition.

The Philippines has been subject to a number of terrorist attacks in the past several years. In recent years, the Philippine military has been in armed conflict with extremist militants, which have ties with international terrorist groups, and have been responsible for terrorist activities including armed intrusions in several cities or municipalities and isolated bombings, mainly in regions in the southern part of the Philippines.

Continued conflicts between the Government and separatist groups, and attacks from terrorist groups could lead to further injuries or deaths by civilians and members of the police and military, which could destabilize parts of the country and adversely affect the country's economy. Any such destabilization could cause interruption to parts of the Company's business and materially and adversely affect its financial conditions, results of operations and prospects. An increase in the

frequency, severity or geographic reach of these terrorist acts could destabilize the Philippines and adversely affect the country's economy.

The proposed amendment of the Constitution may cause political unrest which could adversely affect the Company's financial condition, results of operations, and cash flows.

Despite President Marcos' pronouncement that Charter Change is not among his priorities, The House of Representatives has voted to amend economic provisions of the 1987 Philippine Constitution through a constitutional convention.

With respect to proposed amendments to the economic provisions of the current Constitution, the House of Representatives subcommittee proposed to delete certain provisions in the current Constitution providing foreign nationality restrictions, particularly in the following areas: exploitation, development and utilization of natural resources, ownership of alienable lands, franchise on public utilities, practice of profession, ownership of educational institutions, mass media, and advertising. Business groups in the Philippines believe that such amendments will enable the Government to achieve its goal of sustainable and inclusive economic growth, and that an increase in foreign investments would create more job opportunities for Filipinos.

The then Speaker of the House of Representatives Pantaleon Alvarez has posited that the House of Representatives alone may proceed to amend the Constitution even without the concurrence of the Senate, but current senators are not supportive of making amendments to the Constitution citing that it is not the time to do it now due to more pressing economic concerns and that the House of Representatives proposal of con-con is too expensive. The disagreement between the two chambers may result in a crisis of government administration, causing conflicts among different political groups.

Due to the Company's business being subject to extensive regulation from the Government and dependence on economic stability, the potential for instability and unrest may have a material adverse effect on the Company and its financial condition, results of operations, and prospects.

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

The Philippines, China and several Southeast Asian nations have been engaged in a series of long-standing territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea. In 2013, due to rising tensions arising from a dispute between the Philippines and China over a group of small islands and reefs known as the Scarborough Shoal, the Philippines filed a case before the Permanent Court of Arbitration, to legally challenge China's claim in the West Philippine Sea and resolve the dispute under the United Nations Convention on the Law of the Sea ("UNCLOS"). In July 2016, the tribunal constituted by the Permanent Court of Arbitration rendered a decision upholding the exclusive sovereign rights over the West Philippine Sea and that China's "nine-dash-line" claim, which covered nearly all of the West Philippine Sea, is invalid. Under the administration of President Duterte, the Philippine government has taken measures to ease tensions with China which was brought about by the two countries' territorial dispute.

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

There is no guarantee that the territorial dispute between the Philippines and other countries, including China, would end or that any existing tension will not escalate further, as China has taken steps to exercise control over the disputed territory. In such event, the Philippine economy may be disrupted and its business and financial standing may be adversely affected.

Any deterioration in the Philippine economy as a result of these or other factors, including a significant depreciation of the Peso or increase in interest rates, may adversely affect the Company's operations. In particular, further disputes between the Philippines and other countries may lead to reciprocal trade restrictions on the other's imports or suspension of visa-free access and/or overseas Filipinos permits. Any impact from these disputes in countries in which the Company has operations could materially and adversely affect the Company's business, financial condition and results of operations.

The sovereign credit ratings of the Philippines may adversely affect the Company's business.

International credit rating agencies issue credit ratings for companies with reference to the country in which they are resident. As a result, the sovereign credit ratings of the Philippines directly affect companies that are residents in the Philippines, such as the Company. Historically the Philippines' sovereign debt has been rated relatively low by international

credit rating agencies. As of December 31, 2022, the Philippines' long-term foreign-currency denominated debt was rated Baa2 by Moody's, BBB+ S&P Global Ratings, and BBB by Fitch. However, no assurance can be given that Fitch, Moody's, S&P Global Ratings or any other international credit rating agency, will not downgrade the credit ratings of the Government in the future and, therefore, of Philippine companies, including the Company. Any such downgrade could have a material adverse effect on liquidity in the Philippine financial markets and the ability of the Philippine government and Philippine companies, including the Company, to raise additional financing, and will increase borrowing and other costs. As of September 15, 2022, Moody has affirmed the Philippines Baa2 rating with stable outlook. On October 27, 2022, Fitch affirmed the Philippines' long-term foreign-currency issuer default rating at BBB, however revising its outlook to negative. The change in outlook was attributed to risks to the Philippines' medium-term growth prospects, fiscal adjustment path and external buffers in an environment of higher interest rates, weaker external demand and higher commodity prices. As of November 18, 2022, S&P maintained its BBB+ long-term credit rating for the Philippines with a stable outlook, and also affirmed its A-2 short-term credit rating for the Philippines.

The Philippine real estate industry is subject to extensive regulation from the Government, including local governmental authorities.

The Philippine real estate industry is subject to extensive government regulation. The Company is also subject to numerous environmental laws and regulations relating to the protection of the environment and human health and safety. These include laws and regulations governing air emissions, water and wastewater discharges, odor emissions, and the management of, disposal of and exposure to hazardous materials. The Company must comply with the various requirements of the Government, including local governmental authorities in the areas in which the Company's properties are located.

In addition, the Company is required to maintain business licenses, permits and other authorizations, including those relating to certain construction activities for its properties, and are also required to obtain and renew various permits, including business permits and permits concerning, for example, health and safety, environmental standards. Its licenses, permits and other authorizations contain various requirements that must be complied with to keep such licenses, permits and other authorizations valid. While the Company closely monitors its compliance with such licenses and permits, if it nevertheless fails to meet the terms and conditions of any of the licenses, permits or other authorizations necessary for the Company's operations, these may be suspended or terminated, leading to temporary or potentially permanent closing of properties, suspension of construction activities or other adverse consequences.

The Government influences the property sector by imposing industry policies and economic measures, including those that affect the classification of land available for property development, foreign exchange restrictions, property financing, taxation, acquisition and development, and foreign investment. Property laws and regulations, including relevant judicial decisions, are at times ambiguous and may be subject to inconsistent and contradictory interpretations. Although the Company strives to keep abreast of regulatory developments, such laws and regulations are constantly evolving and therefore consistent interpretations of such regulations are difficult to anticipate. New laws and regulations or modifications may also be passed, which would impose more stringent and complex requirements on us, thereby adversely affecting the Company's business, financial condition, and results of operations.

In general, developers of real estate projects are required to submit project descriptions to regional offices of the DENR. For environmentally sensitive projects or at the discretion of the regional office of the DENR, a detailed Environmental Impact Assessment may be required and the developer will be required to obtain an Environmental Compliance Certificate to certify that the project will not have an unacceptable environmental impact. There can be no assurance that current environmental laws and regulations applicable to the Company will not increase the costs of operating its facilities above currently projected levels or require future capital expenditures. In addition, the Company cannot predict what environmental, health, safety or other legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. See *"Regulatory and Environmental Matters."*

The introduction or inconsistent application of or changes in laws and regulations applicable to the Company's business could have a material adverse effect on its business, financial condition and results of operations. In addition, delays or other possible complications in obtaining the required regulatory and environmental permits could have a material adverse effect on the Company's business, financial condition and results of operations.

RISKS RELATING TO THE COMMON SHARES

The Common Shares may not be a suitable investment for all investors

Each potential investor in the Common Shares must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Common Shares, the merits and risks of investing in the Common Shares and the information contained in this Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Common Shares and the impact the Common Shares will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Common Shares, including where the currency for principal or dividend payments is different from the currency of the potential investor;
- understand thoroughly the terms of the Common Shares and be familiar with the behavior of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, foreign exchange rate and other factors that may affect its investment and its ability to bear the applicable risks.

There has been no prior market for the Common Shares, so there may be no liquidity in the market for the Offer Shares and the price of the Offer Shares may fall.

There has been no prior trading for the shares, and there can be no assurance that an active market for the Offer Shares will develop following the Offer or, if developed, that such market will be sustained.

The Offer Price will be determined after taking into consideration a number of factors including, but not limited to, the Company prospects, the market prices for shares of companies engaged in related businesses similar to that of its business and prevailing market conditions. The price at which the Shares will trade on the PSE at any point in time after the Offer may vary significantly from the Offer Price.

The market price of the shares may be volatile, which could cause the value of investors' investments in the Common Shares to decline. There is also risk of loss of value when buying securities from smaller companies due to differences between the buying price and selling price of these securities as affected by market pricing.

The market price of shares could be affected by several factors, including:

- general market, political and economic conditions;
- changes in earnings estimates and recommendations by financial analysts;
- changes in market valuations of listed stocks in general and other retail stocks in particular;
- the market value of the Company's assets;
- changes to Government policy, legislation or regulations; and
- general operational and business risks.

In addition, many of the risks described elsewhere in this Prospectus could materially and adversely affect the market price of shares.

In part as a result of the global economic downturn, the global equity markets have experienced price and volume volatility that has affected the share prices of many companies. Share prices for many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. Fluctuations such as these may adversely affect the market price of the Shares.

There can be no guarantee that the Offer Shares will be listed on the PSE.

Purchasers of Offer Shares will be required to pay for such Offer Shares on the Trading Participants and Retail Offer Settlement Date, which is expected to be on or about [●] and on the Institutional Offer Settlement Date, which is expected to be on or about [●]. There can be no guarantee that listing will occur on the anticipated Listing Date or at all. Delays in the admission and the commencement of trading in shares on the PSE have occurred in the past. If the PSE does not admit the Offer Shares onto the PSE, the market for the Offer Shares will be illiquid and shareholders may not be able to trade the Offer Shares. This may materially and adversely affect the value of the Offer Shares.

Future sales of Common Shares in the public market could adversely affect the prevailing market price of the Common

Shares and shareholders may experience dilution in their holdings.

In order to finance the expansion of the Company's business and operations, the Board will consider the funding options available to them at the time, which may include the issuance of new shares. If additional funds are raised by the Company through the issuance of new equity or equity-linked securities other than on a pro rata basis to existing shareholders, the percentage ownership of existing shareholders may be reduced, shareholders may experience subsequent dilution or such securities may have rights, preferences and privileges senior to those of the Offer Shares.

Further, the market price of the Common Shares could decline as a result of future sales of substantial amounts of the Common Shares in the public market or the issuance of new Common Shares, or the perception that such sales, transfers or issuances may occur. This could also materially and adversely affect the prevailing market price of the Common Shares or the Company's ability to raise capital in the future at a time and at a price it deems appropriate.

The PSE rules require the existing shareholders owning at least 10% of the outstanding shares of a company not to sell, assign or in any manner dispose of their shares for a period of 180 days after the listing of the shares. In addition, all shares issued or transferred within 180 days prior to the commencement of the Offer at an issue price less than the price per Offer Share shall be subject to a lock-up period of at least 365 days from the date that full payment is made on such shares, as required by the PSE. To implement this lock-up requirement, the PSE requires the applicant company to lodge the shares with the PDTC through a PCD participant for the electronic lock-up of the shares or to enter into an escrow agreement with the trust department or custodian unit of an independent and reputable financial institution.

Moreover, a listed company on the PSE shall be prohibited from offering additional securities, except offerings for stock dividends and employee stock option plans, within 180 calendar days from the date of initial listing.

Except for such restrictions, there is no restriction on the Company's ability to issue shares or the ability of any of its shareholders to dispose of, encumber or pledge, their Common Shares, and there can be no assurance that the Company will not issue Common Shares or that such shareholders will not dispose of, encumber or pledge, their shares.

Investors may incur immediate and substantial dilution as a result of purchasing Common Shares in the Offer.

The issue price of the shares in the Offer may be substantially higher than the net tangible book value of net assets per share of the outstanding shares. Therefore, purchasers of shares in the Offer may experience immediate and substantial dilution and its existing shareholders may experience a material increase in the net tangible book value of net assets per share of the Shares they own. See "Dilution" on page [53] of this Prospectus.

The Company's Shares are subject to Philippine foreign ownership limitations.

The Philippine Constitution and Philippine statutes restrict the ownership of private lands to Philippine Nationals. The term Philippine National, as defined under the Republic Act No. 7042, otherwise known as the Foreign Investments Act of 1991 (the "**Foreign Investments Act**"), as amended, means a citizen of the Philippines, or a domestic partnership or association wholly owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Philippine Corporation Code, of which 100% of the capital stock outstanding and entitled to vote is wholly owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of Philippine nationals.

Considering the foregoing, as long as the Company owns land, foreign ownership in the Company shall be limited to a maximum of 40% of the Company's total issued and outstanding capital stock entitled to vote in the election of directors and total issued and outstanding capital stock, whether or not entitled to vote. Accordingly, the Company cannot allow the issuance or the transfer of Shares to persons other than Philippine Nationals and cannot record transfers in the books of the Company if such issuance or transfer would result in the Company ceasing to be a Philippine National for purposes of complying with the restrictions on foreign land ownership discussed above. This restriction may adversely affect the liquidity and market price of the Shares to the extent international investors are not permitted to purchase Shares in normal secondary transactions.

Shareholders may be subject to limitations on minority shareholders' rights.

The obligation under Philippine law of majority shareholders and directors with respect to minority shareholders may be more limited than those that are available in certain other countries. Consequently, minority shareholders may not be able to protect their interests under current Philippine law to the same extent as in certain other countries.

The Revised Corporation Code provides for minimum minority shareholders' protection in certain instances where a vote by the shareholders representing at least two-thirds of the Company's outstanding capital stock is required. The Revised Corporation Code also grants shareholders an appraisal right allowing a dissenting shareholder to require the corporation to purchase his shares in certain instances. Derivative actions, while permitted under the Revised Corporation Code and governed by the Interim Rules of Procedure Governing Intra-Corporate Controversies (A.M. No. 01-2-04-SC), are rarely brought on behalf of Philippine companies. Accordingly, there can be no assurance that legal rights or remedies of minority shareholders will be the same, or as extensive, as those available in other jurisdictions or sufficient to protect the interests of minority shareholders.

The Company is required to maintain a minimum public ownership of 20%.

In accordance with SEC Memorandum Circular No. 13 Series of 2017 and under the PSE Amended Rule on Minimum Public Ownership ("MPO Rule"), the Company is required to maintain a minimum public ownership (MPO) of 20.0% of its total issued and outstanding shares. Listed companies that become non-compliant with the MPO Rule will be suspended from trading for a period of not more than six months and will automatically be delisted if they remain non-compliant with the MPO Rule after the lapse of the suspension period. Suspended or delisted shares will not be traded on the PSE. In addition, the sale of shares of listed companies that do not maintain the MPO are not considered publicly listed for taxation purposes and should, therefore, be subject to capital gains tax and documentary stamp tax.

Additional Taxes

The sale, exchange or disposition of the Common Shares after the Offer Period, if made outside the facilities of the PSE is subject to capital gains tax and documentary stamp tax, and if made through the facilities of the PSE (except for a dealer in securities) is subject to stock transaction tax. Changes in laws, rules and regulations may result in additional taxes on the acquisition, disposition, or transfer of the Common Shares. For a discussion on the taxes currently imposed by the BIR, please refer to the section on "Taxation" on page [163] of this Prospectus.

There can be no assurance that the Company will be able to pay dividends or maintain any given level of dividends.

Dividends on the Common Shares may not be paid or the Company may pay less than full dividends, under the terms and conditions governing the Common Shares. Holders of the Common Shares will not receive dividends on a Dividend Payment Date or for any period during which the Company does not have retained earnings out of which to pay dividends. If dividends on the Common Shares are not paid in full, or at all, the Common Shares may trade at a lower price than they might otherwise have traded if dividends had been paid. The sale of Common Shares during such a period by a holder of Common Shares may result in such holder receiving lower returns on the investment than a holder who continues to hold the Common Shares until dividend payments resume. In addition, because of the dividend limitations, the market price for the Common Shares may be more volatile than that of other securities that do not have these limitations.

Insufficient distributions upon liquidation

Upon any voluntary or involuntary dissolution, liquidation or winding up of Ovialand, holders of Common Shares will be entitled only to the available assets of the Company remaining after the indebtedness of Ovialand is satisfied. If any such assets are insufficient to pay the amounts due on the Common Shares, then the holders of the Common Shares shall share ratably in any such distribution of assets in proportion to the full distributions to which they would otherwise be respectively entitled.

Liquidity of the securities market

The Philippine securities markets are substantially less liquid and more volatile than major securities markets in other jurisdictions and are not as highly regulated or supervised as some of these other markets. The Company cannot guarantee that the market for the Common Shares will always be active or liquid upon their listing on the PSE.

In addition, the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner are not obligated to create a trading market for the Common Shares and any such market making will be subject to the limits imposed by applicable

law and may be interrupted or discontinued at any time without notice. Accordingly, the Company cannot predict whether an active or liquid trading market for the Common Shares will develop or if such a market develops, if it can be sustained. Consequently, a shareholder may be required to hold his Common Shares for an indefinite period of time or sell them for an amount less than the Offer Price.

Risks relating to certain information in the Prospectus

Certain information contained herein is derived from unofficial publications.

Certain statistics in this Prospectus relating to the Philippines, the industries and markets in which the business of the Company operates, including statistics relating to market size and market share, are derived from various government and private publications, including those produced by industry associations and research groups. This information has not been independently verified and may not be accurate, complete, up-to-date or consistent with other information compiled within or outside the Philippines.

USE OF PROCEEDS

The Company estimates that net proceeds from the Primary Offer, based on an Offer Price of [₱5.60] per Offer Share, will be approximately [P1,794] Million after deducting the applicable underwriting fees and commissions and expenses for the Primary Offer and any additional expenses that may be incurred in relation to the Over-allotment Option payable by the Company.

EXPENSES PAYABLE BY THE COMPANY

Estimated fees, commissions and expenses relating to the Offer are as follows:

| | Estimated Amounts (₱ Millions) |
|---|-----------------------------------|
| Estimated gross proceeds from the sale of the Primary Shares | 1,881,600,000 |
| Less: | |
| Underwriting and selling fees for the Offer Shares being sold by the Company | 55,695,360 |
| Documentary stamp taxes | 1,680,000 |
| PSE filing fee (inclusive of Value Added Tax) | 7,564,032 |
| Selling fees to be paid to the PSE Trading Participants | 3,763,200 |
| SEC registration, filing and legal research fees | 1,043,229 |
| Estimated professional fees | |
| • <i>Legal fees</i> | 3,449,600 |
| • <i>Accounting fees</i> | 2,665,600 |
| • <i>Consultancy fees</i> | 2,090,667 |
| • <i>Escrow agent fee</i> | 4,231,360 |
| • <i>Stock transfer and receiving agent fee</i> | 793,333 |
| • <i>Securities depository fee</i> | 735,360 |
| Estimated other expenses (<i>printing, publication, out-of-pocket expenses, etc.</i>) | 3,602,667 |
| <i>Total estimated expenses</i> | 86,559,976 |
| Estimated net proceeds from the sale of the Primary Shares | 1,794,040,024 |

*Note: * Sum of the individual estimated expenses may not necessarily tally with the total due to rounding adjustments.*

The actual underwriting and selling fees and other Offer-related expenses may vary from the estimated amounts. The estimated expenses set forth in the table above reflect the estimated expenses relating to the sale of the Primary Shares and are presented in this Prospectus for convenience only.

The Company will not receive any proceeds from the sale of the Secondary Shares by the Selling Shareholders. Underwriting and selling fees, crossing expenses, transaction taxes and certain other fees and expenses specifically pertaining to the sale of the Secondary Shares will be paid by the Selling Shareholders.

USE OF PROCEEDS FROM THE SALE OF PRIMARY SHARES

The use of proceeds for this Offer will be for land banking of the Company, the development of pipeline real estate projects, and for other general corporate purposes.

Details on the proposed use of proceeds from the sale of Primary Shares, based on the Offer Price of up to ₱[5.60] per Offer Share, are as follows:

| Use of Proceeds | Estimated Amounts (₱ millions) | Disbursement Schedule |
|---|-----------------------------------|-----------------------|
| Landbanking | 860 | 2023-[2024] |
| Development of Pipeline Real Estate Projects | 764 | 2024-[2025] |
| Other General Corporate Purposes | 170 | [2023-2024] |
| Estimated net proceeds from the sale of the Primary Shares | 1,794 | |

In the event that the net proceeds from the sale of Primary Shares is less than the expected amount, the Company intends to allocate the proceeds in order of priority as follows:

- 50% - Land Banking
- 40% - Construction and development of landholdings
- 10% - Other General Corporate Purposes

Any shortfall from the net proceeds of the Offer allotted to any of the foregoing will be financed from the Company's internally generated funds.

Land banking

The Company intends to use up to ₱860 million of the proceeds from the Offer to support land banking initiatives in the areas of Southern Luzon Laguna and North of Metro Manila (Bulacan). Final terms of the acquisitions are dependent on the negotiations with the sellers. The Company intends to use internally generated funds and available credit lines from local banks in the event that the actual acquisitions would need additional capital.

| Location | Intended Use | Estimated Area (in ha.) | Allocation (in ₱'000) | Estimated Timing of Disbursement |
|-------------------------------------|----------------------------------|-------------------------|-----------------------|----------------------------------|
| San Pablo City , Laguna | Santevi Phase 3 | 4 | 72,000 | Q4 of 2023 |
| San Pablo City , Laguna | Savana Phase 3 | 6 | 108,000 | Q3 to Q4 of 2023 |
| Alaminos / Sto. Tomas Batangas | [Premium Affordable Subdivision] | 10 | 180,000 | Q3 2023 to Q1 of 2024 |
| Pandi / Baliwag , Bulacan | Seriya Phase 2 | 10 | 250,000 | Q3 2023 to Q1 of 2024 |
| Malolos / Pandi / Baliwag , Bulacan | [Premium Affordable | 10 | 250,000 | Q1 to Q2 of 2024 |

| | | | | |
|--|--------------|--|--|--|
| | Subdivision] | | | |
|--|--------------|--|--|--|

Land banking is focused on areas where the Company has local presence and a competitive advantage as well as in identified high potential growth areas for its market. Properties adjacent to completed and ongoing projects will support expansion phases.

Development of Pipeline Real Estate Projects

The estimated startup cost for the development of pipeline projects is ₱1,110 million and the Company intends to use up to ₱764 million of the proceeds from the Offer to support the development of the Company's several real estate projects across the Laguna, Quezon, Batangas and Bulacan provinces. The remaining ₱345 million will be sourced from internally generated funds of the Company and other funding sources options such as drawing on available credit lines from local banks, project financing, and tapping the capital markets, in the event that the actual development costs would need additional capital. The company currently has a ₱600 million term loan arrangement with Security Bank Corporation with up to ₱243 million available to draw until December 2023 for the pipeline projects.

A summary of the pipeline of real estate projects to be funded from proceeds of the Offer are as follows:

| No. | Project | Description | Estimated Startup Cost (in ₱) | Estimated Commencement Date | Estimated Completion Date |
|-----|---|---------------------------------------|-------------------------------|-----------------------------|---------------------------|
| 1 | Caliya Phase 2 | Land Development & House Construction | 100,000 | Q2 of 2023 | Q4 of 2025 |
| 2 | Savana San Pablo Phase 3 | Land Development & House Construction | 100,000 | Q1 of 2024 | Q4 of 2026 |
| 3 | Silangil Candelaria, Quezon | Land Development & House Construction | 150,000 | Q1 of 2024 | Q3 of 2027 |
| 4 | Santevi San Pablo Phase 3 | Land Development & House Construction | 60,000 | Q1 of 2024 | Q1 2027 |
| 5 | Seriya Baliwag, Bulacan Phase 2 | Land Development & House Construction | 150,000 | Q1 of 2024 | Q1 2028 |
| 6 | Alaminos/Sto. Tomas Batangas-10 Hectare Project | Land Development & House Construction | 150,000 | Q1 to Q2 of 2024 | Q4 of 2027 |
| 7 | Malolos / Pandi / Baliwag 10-Hectare Project | Land Development & House Construction | 200,000 | Q1 to Q2 of 2024 | Q4 of 2027 |
| 8 | Malolos / Pandi / Baliwag 10-Hectare Project | Land Development & House Construction | 200,000 | Q2 to Q3 of 2024 | Q1 2028 |

Management expects to use such a portion of the proceeds for the pipeline real estate projects within 18 months from the Listing Date. The proceeds from the Offer to be used for general corporate purposes will be used directly by the Company.

Other General Corporate Purposes

The Company may likewise use a portion of the proceeds of the Offer to provide additional funds for the expenses of the Company related to its operations and activities, overhead expenses and taxes. Subject to determination by Management of the appropriate amounts to be used as investments in subsidiaries, taking into consideration the abovementioned factors, a portion of the proceeds may be allocated for general corporate purposes. Management expects to use up to ₱170 million of the proceeds for this purpose within 18 months from the Listing Date for general corporate purposes by the Company.

UNDERTAKING ON THE USE OF PROCEEDS

The proposed use of proceeds described above represents best estimates of the use of net proceeds of the Primary Shares based on the Company's current plans and expenditures. Other than as described above, no part of the net proceeds from the Primary Shares shall be used to acquire assets outside of the ordinary course of business or finance the acquisition of other businesses, or to reimburse any officer, director, employee or shareholder of the Company for services rendered, assets previously transferred, money loaned or advanced, or otherwise. No amount of the net proceeds of the Offer will be lent to any of the Company's affiliates. The actual amount and timing of disbursement of the net proceeds from the Primary Shares for the uses stated above will depend on various factors which include, among others, changing market conditions or new information regarding the cost or feasibility of its expansion projects. The Company's cost estimates may change as it develops its plans, and actual costs may be different from our budgeted costs. To the extent that the net proceeds from the Primary Shares are not immediately applied to the above purposes, the Company will invest the net proceeds in interest-bearing short term demand deposits and/or money market instruments and other short term liquid instruments.

No amount of the proceeds is to be used to reimburse any officer, director, employee, or shareholder for services rendered, assets previously transferred, money loaned or advanced, or otherwise.

No amount of the proceeds is to be used for debt repayment.

The Company undertakes that it will not use the net proceeds from the Offer for any purpose, other than as discussed in this Prospectus. The Company's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and the Company's management may find it necessary or advisable to alter its plans.

In the event of any deviation, adjustment or reallocation in the planned use of proceeds, the Company shall inform the PSE in writing at least thirty (30) days before such deviation, adjustment or reallocation is implemented. Any material or substantial adjustments to the use of proceeds, as indicated above, should be approved by its board of directors and disclosed to the PSE. In addition, the Company shall submit via the PSE Edge the following disclosures to ensure transparency in the use of proceeds:

- (1) any disbursements made in connection with the planned use of proceeds from the Primary Shares;
- (2) quarterly progress report on the application of the proceeds from the Primary Shares on or before the first fifteen (15) days of the following quarter; the quarterly progress reports should be certified by the Company's Chief Financial Officer or Treasurer and external auditor;
- (3) annual summary of the application of the proceeds on or before January 31 of the following year, which will be certified by its Chief Financial Officer or Treasurer and external auditor; and
- (4) approval by its board of directors of any reallocation on the planned use of proceeds. The actual disbursement or implementation of such reallocation must be disclosed by the Company at least thirty (30) days prior to the said actual disbursement or implementation.

The quarterly and annual reports required in items (2) and (3) above must include a detailed explanation for any material variances between the actual disbursements and the planned use of proceeds in the Prospectus, if any. The detailed explanation must state the approval of the Board as required in item (4) above. The Company will submit an external auditor's certification of the accuracy of the information reported by us to the PSE in its quarterly and annual reports.

The Company will not receive any of the proceeds from the sale of the Option Shares.

The actual underwriting and selling fees and other Offer-related expenses may vary from the estimated amounts indicated above. The estimated amounts used to determine the estimated net proceeds are presented in this Prospectus for convenience only.

PROCEEDS AND EXPENSES FROM THE SALE OF SECONDARY SHARES FROM THE FIRM OFFER

The total proceeds from the sale of Secondary Shares by Januarius will be ₱134.4 million. We estimate that the net proceeds from the sale of Secondary Shares will be approximately ₱128.9 million after deducting the applicable underwriting fees, costs and expenses pertaining to the sale of Secondary Shares. The Company will not receive any proceeds from the sale of Secondary Shares. Underwriting fees, costs and expenses pertaining to the sale of Secondary Shares will be paid by Januarius.

| | Estimated Amounts (₱ Millions) |
|--|---|
| Estimated gross proceeds from the sale of the Secondary Shares | 134,400,000 |
| <i>Less:</i> | |
| Underwriting and selling fees for Secondary Shares | 3,978,240 |
| Selling fees to be paid to the PSE Trading Participants | 268,800 |
| SEC registration, filing, and legal research fees | 136,199 |
| Estimated professional expenses | 945,040 |
| Estimated other expenses (printing, publication, out-of-pocket expenses, etc.) | 257,333 |
| <i>Total estimated expenses</i> | 5,585,612 |
| Estimated net proceeds from the sale of the Secondary Shares | 128,814,388 |

PROCEEDS AND EXPENSES FROM THE SALE OF THE OPTION SHARES

Assuming full exercise of the Over-allotment Option, the gross proceeds from the sale of the Option Shares is estimated to be approximately ₱[201.6] million and the estimated net proceeds, after deducting fees and expenses payable by the Selling Shareholders is estimated to be approximately ₱[193.7] million. The Company will not receive any proceeds from the sale of the Option Shares. Estimated fees, commissions and expenses relating to the Option Shares are as follows:

| | Estimated Amounts (₱ Millions) |
|---|---|
| Estimated gross proceeds from the sale of the Option Shares (assuming Over-allotment Option is exercised in full) | 201,600,000 |
| <i>Less:</i> | |
| SEC registration, filing, and legal research fees | 50,904 |
| Underwriting and selling fees for the Option Shares being sold by the Selling Shareholders | 6,370,560 |

| | |
|--|--------------------|
| Taxes to be paid by the Selling Shareholders (Stock Transaction Tax) and other Crossing Expenses | 1,558,812 |
| <i>Total estimated expenses</i> | 7,980,276 |
| Estimated net proceeds from the sale of the Option Shares (assuming Over-allotment Option is exercised in full) | 193,619,724 |

To the extent the Over-allotment Option is not fully exercised by the Stabilizing Agent, the same shall be deemed cancelled and the relevant Option Shares shall be re-delivered to the Selling Shareholders and shall remain part of the issued and outstanding shares of the Company.

DIVIDENDS AND DIVIDEND POLICY

LIMITATIONS AND REQUIREMENTS

Under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted retained earnings that represent the undistributed earnings of the corporation which have not been allocated for any managerial, contractual or legal purpose and which are free for distribution to the shareholders as dividends. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the SEC.

The approval of the board of directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than two-thirds of the outstanding capital stock at a regular or special meeting duly called for the purpose.

The Revised Corporation Code of the Philippines generally requires a Philippine corporation with retained earnings in excess of 100% of its paid-in capital to declare and distribute as dividends the amount of such surplus. Notwithstanding this general requirement, a Philippine corporation may retain all or any portion of such surplus in the following cases: (i) when justified by definite expansion plans approved by the board of directors of the corporation; (ii) when the required consent of any financing institution or creditor to such distribution has not been secured; (iii) when retention is necessary under special circumstances, such as when there is a need for special reserves for probably contingencies; or (iv) when the non-distribution of dividends is consistent with the policy or requirement of a Government office.

RECORD DATE AND PAYMENT DATE

Pursuant to existing SEC rules, any declaration of cash dividends must have a record date not less than ten (10) nor more than thirty (30) days from the date of declaration. For stock dividends, the record date should not be less than ten (10) nor more than thirty (30) days from the date of the shareholders' approval. In either case, the set record date is not to be less than 10 trading days from receipt by the PSE of the notice of declaration of 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 SEC.

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 BSP.

Pursuant to the "Amended Rules Governing Pre-emptive and other Subscription Rights and Declaration of Stock and Cash Dividends" of the SEC, all cash dividends and stock dividends declared by a company shall be remitted to PDTC for immediate distribution to participants not later than 18 trading days after the record date (the "**Payment Date**"); provided that in the case of stock dividends, the credit of the stock dividend shall be on the Payment Date which in no case shall be later than the stock dividends' listing date. If the stock dividend shall come from an increase in capital stock, all stock dividends shall be credited to PDTC for immediate distribution to its participants not later than 20 trading days from the record date set by the SEC, which in no case shall be later than the stock dividends' listing date.

DIVIDEND POLICY

Pursuant to a board approval on May 5, 2022, the Company intends to maintain an annual dividend payment ratio of up to 50% of net income after tax for the preceding fiscal year, payable primarily in cash. However, the Board of Directors, in its discretion, may decide to declare dividends to be payable in property or shares. The declaration of dividends shall also be subject to the requirements of applicable laws and regulations, compliance with the Company's loan covenants and other circumstances which restrict the payment of dividends. The Board, may, at any time, modify such dividend payout ratio depending upon the results of operations and future projects and plans and other considerations.

Dividends shall be declared and paid out of the Company's unrestricted retained earnings and shall be payable in cash, property or stock to all shareholders on the basis of outstanding stock held by them. Unless otherwise required by law, the Board, at its sole discretion, shall determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including:

- the level of its earnings, cash flow, return on equity and retained earnings;
- its results for and financial condition at the end of the year in respect of which the dividend is to be paid and expected financial performance;
- the projected levels of capital expenditures and other investment programs;
- restrictions on payments of dividends that may be imposed on us by any of its financing arrangements and current or prospective debt service requirements; and
- such other factors as the Board deems appropriate.

The Company has existing financial covenants that may restrict dividend pay-outs to shareholders. Its current term loan arrangement with Security Bank Corporation dated November 14, 2022 indicates a required Pre-Dividend Debt Service Coverage Ratio minimum of 2.0x and a Post-Dividend Debt Service Coverage Ratio minimum of 1.75x. DSCR computed as current year EBITDA (or EBITDA less dividends for Post-Dividend DSCR) divided by the sum of the principal and interest payments for all interest-bearing loans for the next twelve months.

HISTORY OF DIVIDEND PAYMENT

The Company declared dividends on September 7, 2021 and November 2, 2021 amounting to ₱35,338,144.32 from the 2020 earnings in favor of its stockholders holding an aggregate of 250,000 shares.

The Company declared dividends on March 2, 2022, amounting to ₱118,750,000.00 from its unrestricted retained earnings in favor of its stockholders holding an aggregate of 250,000 shares. On the same year, the Company declared dividends of ₱5 million at ₱0.01 per share on May 5, 2022, ₱15 million at ₱0.02 per share on September 8, 2022 and ₱15M at ₱0.02 per share on December 1, 2022.

| Year Declared | Nature of Dividend | Rate of Dividend (PhP) | Amount Paid (in PhP) |
|---------------|--------------------|------------------------|----------------------|
| 2021 | Cash | 71.75 per share | 17,938,144.32 |
| 2021 | Cash | 69.60 per share | 17,400,000.00 |
| 2022 | Cash | 475 per share | 118,750,000.00 |
| 2022 | Cash | 0.01 per share | 5,000,000.00 |
| 2022 | Cash | 0.02 per share | 15,000,000.00 |
| 2022 | Cash | 0.02 per share | 15,000,000.00 |

RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES, INCLUDING RECENT ISSUANCE OF SECURITIES CONSTITUTING AN EXEMPT TRANSACTION

On March 4, 2022, with the approval by the SEC of the increase in its authorized capital stock from ₱500,000,000.00 divided into 400,000 common shares with a par value of ₱1,000.00 per share and 100,000 preferred shares with a par value of ₱1,000.00 per share to ₱1,000,000,000.00 divided 900,000,000 common shares with a par value of ₱1.00 per share and 100,000,000 preferred shares with a par value of ₱1.00 per share, the Company issued an aggregate of 138,000,000 common shares to 1802 SJ Holdings Inc. and Januarius Holdings Inc. at ₱1.00 per share equivalent to ₱138,000,000. Payment for such shares was partly made in cash and partly by conversion of advances.

DETERMINATION OF THE OFFER PRICE

The Offer Price is up to ₱[5.60] per Offer Share, as determined through a book-building process and discussions among the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. Since the Offer Shares have not been listed on any stock exchange, there has been no market price for Shares derived from day-to-day trading.

The factors considered in determining the Offer Price were, among others, the Company's ability to generate earnings and cash flow, the Company's short- and long-term prospects, the level of demand from institutional investors, overall market conditions at the time of launch of the Offer and the market prices of listed comparable companies, with reference to the relevant country's stock market index. The Offer Price does not have any correlation to the book value of the Offer Shares.

DILUTION

As of 31 December 2022, the Company's net tangible book value per Share was ([P0.48]). Net tangible book value per Share represents total assets minus intangible assets, total liabilities and non-controlling interests, divided by the total number of Common Shares outstanding.

After giving effect to the sale of the Primary Offer Shares (at an Offer Price of P[5.60] per Primary Offer Share) and after deducting estimated discounts, commissions, estimated fees and expenses of the Offer, the net tangible book value per share would be P[2.02]. At the Offer Price of P[5.60], the Shares will be purchased at a premium of P[3.58] to net tangible book value per share.

The following table illustrates dilution on a per Share basis based on an Offer Price of P[5.60] per Offer Share assuming full exercise of the Over-allotment Option:

| | |
|---|----------------|
| Offer Price per Offer Share | P[5.60] |
| Net tangible book value per share as of 31 December 2022 | P[0.48] |
| Net tangible book value per share as adjusted after the Offer | P[2.02] |
| Dilution to investors in the Offer | P[3.58] |

The following table sets forth the shareholdings, and percentage of Common Shares outstanding, of existing and new shareholders of the Company immediately after completion of the Offer assuming full exercise of the Over-allotment Option:

| | Number of Common Shares | | % |
|----------------------------|-------------------------|--|---------|
| Existing shareholders..... | 810,000,000 | | [67.16] |
| New Investors..... | 396,000,000 | | [32.84] |
| Total..... | [1,206,000,000] | | 100.0 |

The following table sets forth the shareholdings, and percentage of Common Shares outstanding, of existing and new shareholders of the Company immediately after completion of the Offer assuming the Over-allotment Option is not exercised:

| | Number of Common Shares | | % |
|----------------------------|-------------------------|--|-------|
| Existing shareholders..... | [846,000,000] | | [70] |
| New Investors | [360,000,000] | | [30] |
| Total..... | [1,206,000,000] | | 100.0 |

See “Risk Factors – Risks Relating to the Offer and the Offer Shares – Future sales of Shares in the public market could adversely affect the prevailing market price of the Shares and shareholders may experience dilution in their holdings” and “Risk Factors – Risk Relating to the Offer and the Offer Shares – Investors may incur immediate and substantial dilution as a result of purchasing shares in the Offer” on pages [41-42] of this Prospectus.

CAPITALIZATION

The following table sets out the Company's consolidated debt, shareholders' equity and capitalization as of December 31, 2022, and as adjusted to reflect the issue of the Offer Shares. The table should be read in conjunction with the Company's consolidated financial statements, included in the Prospectus. There has been no material change in the figures as shown in the following table and the notes thereto since the date thereof except for the issue of the Offer Shares.

| | As of [December 31, 2022] | As of [December 31, 2022] as Adjusted After Giving Effect to the Offer | Adjusted After Fully Paid Up Subscriptions and After Offer |
|----------------------------|---------------------------------|--|--|
| | ₱000 | ₱000 | ₱000 |
| Total Debt | 917,034 | | 917,035 |
| Equity | | | |
| Capital stock | 435,000 | 168,000 | 603,000 |
| Additional Paid-in Capital | 10,000 | 1,713,600 | 1,723,600 |
| Revaluation Reserve | 70 | | 70 |
| Retained earnings | 271,035 | | 271,035 |
| Total Equity | 716,105 | | 2,597,705 |
| Total Capitalization | 1,633,139 | 1,881,600 | 3,514,739 |

SELECTED FINANCIAL AND OTHER INFORMATION

The following tables present the summary of financial information and should be read in conjunction with the independent auditors' reports and Ovioland's financial statements, including the notes thereto, appearing in Appendix A-1 and B-1 in this Prospectus, and the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" The summary financial information as of and for the years ended December 31, 2020, 2021 and 2022 were derived from Ovioland's audited financial statements, which were prepared in accordance with PFRS and were audited by Punongbayan & Araullo (Grant Thornton Philippines) in accordance with the PSA.

In accordance with the relevant accounting and financial reporting standards, certain information in Ovioland's financial statements as of and for the years ended 31 December 2020 has been restated, as discussed further in Note [●] to the financial statements as of and for the years ended 31 December 2020, 2021 and 2022, appearing in [Appendix A-1 and B-1] in this Prospectus.

The summary financial information below is not necessarily indicative of the results of future operations.

SUMMARY STATEMENTS OF COMPREHENSIVE INCOME

| in P'000 | Years ended December 31 | | |
|-----------------------------------|-------------------------|-------------------|-------------------|
| | 2022 (Audited) | 2021 (Audited) | 2020 (Audited) |
| REAL ESTATE SALES | 1,367,100 | 833,104 | 435,101 |
| COST OF REAL ESTATE SALES | 791,747 | 452,826 | 248,364 |
| GROSS PROFIT | 575,352 | 380,278 | 186,737 |
| OTHER OPERATING EXPENSES | | | |
| Administrative expenses | 163,494 | 115,734 | 50,921 |
| Selling and marketing expenses | 105,788 | 78,306 | 39,406 |
| TOTAL OTHER OPERATING EXPENSES | 269,282 | 194,039 | 90,328 |
| OPERATING PROFIT | 306,070 | 186,239 | 96,410 |
| OTHER INCOME – Net | 6,132 | 22,358 | 4,274 |
| FINANCE COSTS – Net | -13,840 | -27,111 | -2,643 |
| PROFIT BEFORE TAX | 298,363 | 181,486 | 98,041 |
| TAX EXPENSE | 71,767 | 16,026 | 22,504 |
| NET PROFIT | 226,596 | 165,460 | 75,537 |
| OTHER COMPREHENSIVE INCOME (LOSS) | -97 | 924 | -707 |
| TOTAL COMPREHENSIVE INCOME | 226,499 | 166,385 | 74,830 |

SUMMARY STATEMENTS OF FINANCIAL POSITION

| | As at December 31 | | |
|---------------------------------------|-------------------|-------------------|-------------------|
| | 2022 (Audited) | 2021 (Audited) | 2020 (Audited) |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash | 206,461 | 35,868 | 35,632 |
| Trade and other receivables | 182,524 | 123,695 | 107,881 |
| Real estate inventories | 697,052 | 586,198 | 420,695 |
| Deposit for future land acquisition | | | 7,007 |
| Due from co-joint operator | 4,351 | | |
| Due from related parties | 144,513 | 124,916 | 8,988 |
| Prepayments and other current assets | 195,140 | 143,158 | 87,863 |
| Total Current Assets | 1,430,042 | 1,013,836 | 668,067 |
| NON-CURRENT ASSETS | | | |
| Trade and other receivables | 105,578 | 93,685 | 34,556 |
| Property and equipment - net | 39,286 | 22,651 | 12,342 |
| Right-of-use assets - net | 755 | 3,894 | 8,106 |
| Investment property | | 1,886 | 1,886 |
| Deferred tax assets - net | | | |
| Other non-current assets | 57,479 | 2,479 | 13,480 |
| Total Non-current Assets | 203,097 | 124,595 | 70,369 |
| TOTAL ASSETS | 1,633,139 | 1,138,431 | 738,436 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Interest-bearing loans | 143,576 | 157,053 | 72,227 |
| Trade and other payables | 313,470 | 314,496 | 261,151 |
| Due to co-joint operator | | 6,660 | |
| Due to a related party | 11,095 | 97,061 | 78,431 |
| Lease liabilities | 1,417 | 2,884 | 2,381 |
| Income tax payable | | | 8,995 |
| Total Current Liabilities | 469,558 | 578,154 | 423,185 |
| NON-CURRENT LIABILITIES | | | |
| Interest-bearing loans | 440,021 | 139,359 | 80,485 |
| Lease liabilities | | 1,417 | 4,301 |
| Retirement benefit obligation | 385 | 138 | 1,120 |
| Deposit for future stock subscription | | 134,736 | 78,621 |
| Deferred tax liabilities - net | 7,071 | 2,973 | 116 |
| Total Non-current Liabilities | 447,477 | 278,623 | 164,643 |

| | As at December 31 | | |
|------------------------------|-------------------|-------------------|-------------------|
| | 2022 (Audited) | 2021 (Audited) | 2020 (Audited) |
| Total Liabilities | 917,035 | 856,777 | 587,829 |
| EQUITY | | | |
| Capital stock | 435,000 | 82,500 | 82,500 |
| Additional paid-in capital | 10,000 | | |
| Revaluation reserve | 70 | 167 | -757 |
| Retained earnings (Deficit) | 271,035 | 198,987 | 68,864 |
| Total Equity | 716,105 | 281,654 | 150,608 |
| TOTAL LIABILITIES AND EQUITY | 1,633,139 | 1,138,431 | 738,436 |

SUMMARY STATEMENTS OF CASH FLOWS INFORMATION

| | Years ended December 31 | | |
|--|-------------------------|-------------------|-------------------|
| | 2022 (Audited) | 2021 (Audited) | 2020 (Audited) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | 298,363 | 181,486 | 98,041 |
| Adjustments for: | | | |
| Interest expense | 13,902 | 27,136 | 2,654 |
| Depreciation and amortization | 15,139 | 11,278 | 6,453 |
| Interest income | -62 | -25 | -11 |
| Gain on derecognition of liabilities | | -5,881 | |
| Operating income before working capital changes | 327,341 | 213,994 | 107,137 |
| Increase in trade and other receivables | -70,722 | -74,943 | -47,094 |
| Increase in real estate inventories | -78,924 | -126,922 | -93,204 |
| Increase in due from related parties | -19,597 | -117,850 | -8,988 |
| Increase in due from co-joint operator | -4,351 | | |
| Increase in other assets | -169,565 | -56,751 | -54,891 |
| Decrease (increase) in deposit for future land acquisition | | 7,007 | -7,007 |
| Increase in trade and other payables | 32,562 | 64,670 | 127,466 |
| Increase in due to co-joint operator | -6,660 | 6,660 | |
| Increase in retirement benefit obligation | 111 | 119 | 39 |
| Cash from (used in) operations | 10,194 | -84,015 | 23,458 |
| Interest received | 62 | 25 | 11 |
| Income taxes paid | -5,054 | -4,048 | -10,673 |
| Net Cash From (Used in) Operating Activities | 5,203 | -88,038 | 12,796 |

CASH FLOWS FROM AN INVESTING ACTIVITY

| Years ended December 31 | | | |
|--|-------------------|-------------------|-------------------|
| | 2022 (Audited) | 2021 (Audited) | 2020 (Audited) |
| Additional capital expenditures on investment properties | -15,104 | | |
| Acquisitions of property and equipment | -11,644 | -17,375 | -7,571 |
| Net Cash Used in Investing Activities | -26,748 | -17,375 | -7,571 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from interest-bearing loans | 518,643 | 309,523 | 9,507 |
| Repayments of interest-bearing loans | -231,459 | -165,823 | -35,750 |
| Repayments of advances from related parties | -170,633 | | -234,186 |
| Proceeds from collection of subscription receivables | 167,500 | | |
| Dividends paid | -154,856 | -34,830 | |
| Proceeds from advances obtained from related parties | 114,667 | 20,552 | 215,442 |
| Interest paid | -78,809 | -76,622 | -18,077 |
| Proceeds from issuance of shares | 30,264 | | |
| Repayments of lease liabilities | -3,180 | -3,265 | -3,085 |
| Deposits for future stock subscription received | | 56,115 | 78,621 |
| Net Cash From Financing Activities | 192,138 | 105,650 | 12,471 |
| NET INCREASE IN CASH | 170,593 | 236 | 17,696 |
| CASH AT BEGINNING OF YEAR | 35,868 | 35,632 | 17,936 |
| CASH AT END OF YEAR | 206,461 | 35,868 | 35,632 |

SUMMARY OF SELECTED OPERATING AND FINANCIAL INFORMATION

| <u>KEY PERFORMANCE INDICATORS</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|---------------------------------------|-----------------|-----------------|-----------------|
| <u>Gross profit Margin</u> | <u>42%</u> | <u>46%</u> | <u>43%</u> |
| <u>Net Income over Sales</u> | <u>17%</u> | <u>20%</u> | <u>17%</u> |
| <u>Before tax return on sales</u> | <u>22%</u> | <u>22%</u> | <u>23%</u> |
| <u>Debt to Equity Ratio</u> | <u>1.28 : 1</u> | <u>3.04 : 1</u> | <u>3.90 : 1</u> |
| <u>Current Ratio</u> | <u>3.05 : 1</u> | <u>1.75 : 1</u> | <u>1.58 : 1</u> |
| <u>AR Turnover</u> | <u>5.41</u> | <u>4.63</u> | <u>3.66</u> |
| <u>Receivable Collection Period</u> | <u>67.48</u> | <u>78.82</u> | <u>99.74</u> |
| <u>Inventory Turnover Period</u> | <u>295.79</u> | <u>405.80</u> | <u>517.04</u> |
| <u>Day Payable Outstanding Period</u> | <u>131.98</u> | <u>181.21</u> | <u>187.58</u> |

Computations for the following KPIs

1. $\text{Gross Profit Margin} = \text{Gross Profit} / \text{Real Estate Sales}$
2. $\text{Net Income over Sales} = \text{Net Income} / \text{Real Estate Sales}$
3. $\text{Before Tax Return on Sales} = \text{Profit before Tax} / \text{Real Estate Sales}$
4. $\text{Debt to Equity Ratio} = \text{Total Liabilities} / \text{Total Equity}$
5. $\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$
6. $\text{Receivables Collection Period} = 365 / \text{AR Turnover}$
7. $\text{AR Turnover} = \text{Real Estate Sales} / \text{Average Accounts Receivable}$
8. $\text{Inventory Turnover Period} = 365 / \text{Inventory Turnover}$
9. $\text{Day Payable Outstanding Period} = 365 / \text{AP Turnover}$

EBITDA RECONCILIATION

| | 2022 | 2021 | 2020 |
|--------------------------|-----------------------|-----------------------|-----------------------|
| Net Income | 226,498,673 | 166,384,587.00 | 74,829,808.00 |
| Interest Expense | 13,387,093.88 | 26,894,378.17 | 7,140,157.74 |
| Provision for Income Tax | 71,766,599 | 16,025,739.00 | 22,504,172.00 |
| Depreciation | 15,138,515.14 | 11,277,711.00 | 6,453,382.00 |
| Amortization | - | - | - |
| EBITDA | 326,790,881.02 | 220,582,415.17 | 110,927,519.74 |

EBITDA = Total Comprehensive Income plus Interest, Taxes , Depreciation and Amortization

Earnings before interest, taxes, depreciation and amortization (“EBITDA”) represents net profit after adding interest expense, depreciation and amortization, and provision for income tax. EBITDA is not required by, and is not a measure of performance or liquidity under, PFRS or any other generally accepted accounting principles. Investors should not consider EBITDA in isolation or as an alternative to operating profit, or net profit as an indicator of the Company’s operating performance, or the Company’s cash flow from operating, investing, or financing activities as a measure of liquidity, or any other measures of performance under PFRS. Because there are various EBITDA calculation methods, the Company’s implementation of EBITDA may not be comparable to similarly titled measures used by other companies.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Prospective investors should read this discussion and analysis of our financial condition and results of operations in conjunction with the sections entitled “Summary Historical Financial Information” and “Selected Financial And Other Information” and with the audited financial statements as of and for the years ended 31 December 2020, 2021 and 2022 (the “audited financial statements, including the notes relating thereto, appearing in [Appendix A-1] and [B-1] of this Prospectus.

The Company's audited financial statements and the 31 December 2022 included in this Prospectus were prepared in compliance with PFRS.

The Company appointed Punongbayan & Araullo as its independent auditors on [August 25, 2020]. Punongbayan & Araullo issued a report on our financial statements as of and for the years ended 31 December 2020, 2021 and 2022 on [●]. For more information, please refer to the Company's audited financial statements as of and for the years ended 31 December 2020, 2021 and 2022, appearing in [Appendix A-1] and [B-1] of this Prospectus.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section entitled “Risk Factors” on pages [24] to [43] of this Prospectus. See also “Forward-Looking Statements” on page [1] of this Prospectus.

FACTORS AFFECTING THE COMPANY'S RESULTS OF OPERATIONS

Revenue Recognition

Ovialand's revenues are based on completed house and lot units that are taken out by financing institutions. For the past 3 years, 98% of Ovialand's clients avail of their end-user financing via the state-owned Home Development Mutual Fund (“**HDMF**”) or more commonly known as “Pag-IBIG Fund”.

Sales

Ovialand has a total network of 50 brokers and 600 sales agents. The Company's brokers and agents are guided by its team of Ovialand Sales Officers who ensure buyers are well educated on their purchase and are qualified to avail of a loan. Together, they have continuously produced robust and increasing sales. The Company logged a total of 231 sales worth ₱435 million in 2020, 441 sales worth ₱833 million in 2021 and 617 sales worth ₱1.37 billion in 2022.

Pre-cast Technology

Ovialand developed its own monolithic pre-cast technology used to build houses called OLI-Cast. Based on current capacity, this technology allows Ovialand to efficiently build up to 25 units per month per project per set of casting bed.

Each Ovialand development has its own “casting yard” where the casting activities are done. The OLI-Cast process is divided into three (3) parts. First is the pouring of cement on steel beds which will be used for all the external walls and second floor slab of the house, referred to as “wall panels.” Using a proprietary blend of cement and chemicals, the wall panels only take eighteen (18) hours of curing time. Second is the lifting process. Using a mobile tower crane, the wall panels are lifted from the steel beds and transported using a flatbed truck to the construction area where it will be assembled together to build the structure of the house. Lastly, using the mobile cranes, wall panels are assembled on the unit site, reinforced with steel connectors.

The OLI-Cast allows for easier control of resources as the major components of cost to build the housing units are contained in a centralized area. It also uses less manpower to operate, with an average of only 20 to 30 persons per casting yard, versus 200 to 250 persons for the same output using conventional housing construction systems.

As the cement wall is naturally exposed, clients are assured that all wall panels are made of solid concrete without defects such as honey comb, uneven wall surfaces or hollow walls.

End User Financing via HDMF and Commercial Banks

When it comes to home ownership, an essential component of the business model is a reliable end-user financing facility that can serve its clients. This financing facility allows the developer to collect the full amount of the house and lot package price, eliminating risks of default, cancellation, reselling of previously sold units, etc.

HDMF is a state-owned financing institution mandated to provide Filipinos financing for home ownership. All working Filipinos, whether domestic or foreign-employed, are urged to become fund members. A common misconception is that HDMF only caters to low-cost and socialized housing buyers, but in 2007, HDMF raised their maximum loan amount per member to up to ₱6.0 million. In 2021 and 2022, HDMF broke their performance records by approving and releasing ₱100 Billion and ₱118 Billion in housing loans respectively. Around 30% of this amount was taken out in partnership with accredited developers.

HDMF has accredited approximately 551 developers nationwide. Among these developers, HDMF has classified a group called 'Prime Developers'.

Ovialand is recognized as a Prime Developer of HDMF – a status only awarded to less than forty (40) developers nationwide. This status is given to developers who have a solid track record as a partner developer of HDMF; particularly those who are able to deliver and maintain accounts within standards of (a) quality of construction of housing units – houses must be 100% completed and ready for turnover upon loan application; (b) quality of mortgage documents processed in behalf of the clients – loan applications and requirements are complete and with integrity; (c) Performing Accounts Ratio or the collection efficiency rate of the developer in respect of its receivables from buyers; (d) rate of conversion or the developer's compliance in transferring the land titles to the names of its buyers.

As a Prime Developer, Ovialand is able to process housing loans and receive the loan proceeds of its buyers within thirty (30) days from loan application.

With the Ovialand model, clients are only required to outlay around 5% to 10% of the package price as equity for their home purchase. The balance can be loaned from HDMF, with a maximum term loan of up to thirty (30) years. Since HDMF is a state-owned institution, they are also known for providing some of the lowest interest rates in the market.

Ovialand is also an accredited developer of top commercial banks such as BDO & BPI. As an accredited developer, Ovialand is able to extend the same convenient payment terms to its clients with a 5-10% down payment, and the rest of the Total Contract Price to be financed by partner financing institutions. This allows Ovialand homebuyers to more buyer's financing options essentially geared towards the same objective: to allow the home-buyer to move into their brand new home as soon as possible.

RESULTS OF OPERATIONS

Results of Operations as of December 31, 2022 vs. December 31, 2021

| | Years ended December 31 | | | | |
|---------------------------|-------------------------|-------------------|--|-----------------------------|-----------------------------|
| | 2022 (Audited) | 2021 (Audited) | Horizontal Analysis % of Change | Vertical Analysis | |
| | | | | 2022 % of Total Sales | 2022 % of Total Sales |
| in ₱'000 | | | | | |
| REAL ESTATE SALES | 1,367,100 | 833,104 | 64% | 100% | 100% |
| COST OF REAL ESTATE SALES | 791,747 | 452,826 | 75% | 58% | 54% |

| | | | | | |
|-----------------------------------|---------|---------|-------|-----|-----|
| GROSS PROFIT | 575,352 | 380,278 | 51% | 42% | 46% |
| OTHER OPERATING EXPENSES | | | | | |
| Administrative expenses | 163,494 | 115,734 | 41% | 12% | 14% |
| Selling and marketing expenses | 105,788 | 78,306 | 35% | 8% | 9% |
| TOTAL OTHER OPERATING EXPENSES | 269,282 | 194,039 | 39% | 20% | 23% |
| OPERATING PROFIT | 306,070 | 186,239 | 64% | 22% | 22% |
| OTHER INCOME – Net | 6,132 | 22,358 | -73% | 0% | 3% |
| FINANCE COSTS – Net | -13,840 | -27,111 | -49% | -1% | -3% |
| PROFIT BEFORE TAX | 298,363 | 181,486 | 64% | 22% | 22% |
| TAX EXPENSE | 71,767 | 16,026 | 348% | 5% | 2% |
| NET PROFIT | 226,596 | 165,460 | 37% | 17% | 20% |
| OTHER COMPREHENSIVE INCOME (LOSS) | -97 | 924 | -111% | 0% | 0% |
| TOTAL COMPREHENSIVE INCOME | 226,499 | 166,385 | 36% | 17% | 20% |

Real Estate Sales

Ovialand posted total real estate sales of ₱1.4 billion equivalent to 617 house and lot units for the year ended 31 December 2022. This is equivalent to a 64% growth from the previous year's performance of ₱833 million equivalent to 441 house and lot units. The increase in real estate sales is due to an increase in annual unit sales by 49% as well as the increase in average price per unit from ₱1.9 million to ₱2.3 million. Ovialand's new project, Savana Phase 1 turned over a total of 329 house and lot units. Sannera Phase I and II contributed 97 units and Caliya Phase I contributed 191 units.

Cost of Real Estate Sales

Cost of real estate sales increased to ₱792 million compared to ₱453 million owing to the higher number of house and lot units constructed and turned over. The cost of real estate sales increased to 58% of revenue in 2022 from 54% in 2021. The increase was due to the spike in raw materials prices during the year and JV costs worth ₱33 million for the BOI socialized housing compliance of Sannera Phase 2 project that became due during the year.

Operating Expenses

Administrative expenses of ₱164 million and selling expenses of ₱106 million grew by 41% and 35%, respectively compared to 2021. This is due to increase of manpower cost and documentation cost under the new guidelines of HDMF where transfer costs and taxes are now settled prior to buyers' loan application filing compared to prior years where transfer costs and taxes are undertaken within 24 months from loan take out by HDMF. Selling expenses grew in accordance with the increase in revenue and the launching of the Company's new project, Savana San Pablo and Santevi. Overall, operating expenses comprise 20% of revenue in 2022 vs 23% of revenue in 2021.

Other Income

Other income, composed of forex gain/loss for foreign exchange joint venture, interest income from contracts, processing fees and penalties for late payment decreased by 73% to ₱6 million from ₱22 million. Home improvement contracts and processing fees have decreased as with the increase in economic housing price ceiling from ₱1.25 Million to ₱2.5 Million, the Company decided to include the house improvements and processing fees in its total contract price. The decrease in income from penalties and charges was due to more timely and stringent collections from buyers.

Finance Income / (Costs)

Finance costs decreased from 3% of revenue in 2021 to only 1% of revenue in 2022. Comparatively, this is a 49% decrease year-on-year in net financing costs for the Company. This is due to the continuous pay down of debt by the Company throughout the year and no additional new debts were entered until the fourth quarter of 2022.

Profit Before Tax

Profit before tax increased by 64% at P298 million for 2022 compared to 2021 which was at P181 million. This represents 22% of revenues in 2022 which is similar to prior year 2021 at 22% also. The Peso amount increase is attributable to the increase in the Company's real estate sales.

Tax Expenses

Ovialand incurred tax expenses for the year ended December 31, 2022 worth P72 million. This represents 5% of real estate sales versus the year ended 2021 of 2% of real estate sales or P16 million. This is due to less units enjoying the BOI Income Tax Holiday were recognized for the year whereas only 22% of revenue is covered by the BOI-ITH in 2022 compared to 32% of revenue in 2021. The company is enjoying BOI-ITH benefits for various units in its projects Sannera Phase II, Caliya Phase I and Savana.

Net Income

The Company's net income for the year ended 31 December 2022 amounted to P226 million. This is P60 million or 36% increase compared to the net income recorded for the year ended 31 December 2021 of P166 million, mainly attributable to the increase in real estate sales for the period.

| As of December 31 | | | | | |
|--------------------------------------|-------------------|-------------------|------------------------|-----------------------------|-----------------------------|
| in P'000 | 2022 (Audited) | 2021 (Audited) | Horizontal Analysis | Vertical Analysis | |
| | | | % of Change | 2022 % of Total Sales | 2022 % of Total Sales |
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Cash | 206,461 | 35,868 | 476% | 13% | 3% |
| Trade and other receivables | 182,524 | 123,695 | 48% | 11% | 11% |
| Real estate inventories | 697,052 | 586,198 | 19% | 43% | 51% |
| Due from co-joint operator | 4,351 | | | 0% | 0% |
| Due from related parties | 144,513 | 124,916 | 16% | 9% | 11% |
| Prepayments and other current assets | 195,140 | 143,158 | 36% | 12% | 13% |
| Total Current Assets | 1,430,042 | 1,013,836 | 41% | 88% | 89% |
| NON-CURRENT ASSETS | | | | | |
| Trade and other receivables | 105,578 | 93,685 | 13% | 6% | 8% |
| Property and equipment - net | 39,286 | 22,651 | 73% | 2% | 2% |
| Right-of-use assets - net | 755 | 3,894 | -81% | 0% | 0% |
| Investment property | | 1,886 | -100% | 0% | 0% |
| Other non-current assets | 57,479 | 2,479 | 2218% | 4% | 0% |
| Total Non-current Assets | 203,097 | 124,595 | 63% | 12% | 11% |
| TOTAL ASSETS | 1,633,139 | 1,138,431 | 43% | 100% | 100% |
| LIABILITIES AND EQUITY | | | | | |
| CURRENT LIABILITIES | | | | | |
| Interest-bearing loans | 143,576 | 157,053 | -9% | 9% | 14% |
| Trade and other payables | 313,470 | 314,496 | 0% | 19% | 28% |
| Due to co-joint operator | | 6,660 | -100% | 0% | 1% |
| Due to a related party | 11,095 | 97,061 | -89% | 1% | 9% |
| Lease liabilities | 1,417 | 2,884 | -51% | 0% | 0% |
| Total Current Liabilities | 469,558 | 578,154 | -19% | 29% | 51% |
| NON-CURRENT LIABILITIES | | | | | |
| Interest-bearing loans | 440,021 | 139,359 | 216% | 27% | 12% |

| | | | | | |
|---------------------------------------|----------------|----------------|------------|------------|------------|
| Lease liabilities | | 1,417 | -100% | 0% | 0% |
| Retirement benefit obligation | 385 | 138 | 180% | 0% | 0% |
| Deposit for future stock subscription | | 134,736 | -100% | 0% | 12% |
| Deferred tax liabilities - net | 7,071 | 2,973 | 138% | 0% | 0% |
| Total Non-current Liabilities | 447,477 | 278,623 | 61% | 27% | 24% |
| Total Liabilities | 917,035 | 856,777 | 7% | 56% | 75% |

EQUITY

| | | | | | |
|-------------------------------------|------------------|------------------|-------------|-------------|-------------|
| Capital stock | 435,000 | 82,500 | 427% | 27% | 7% |
| Additional paid-in capital | 10,000 | | | 1% | 0% |
| Revaluation reserve | 70 | 167 | -58% | 0% | 0% |
| Retained earnings (Deficit) | 271,035 | 198,987 | 36% | 17% | 17% |
| Total Equity | 716,105 | 281,654 | 154% | 44% | 25% |
| TOTAL LIABILITIES AND EQUITY | 1,633,139 | 1,138,431 | 43% | 100% | 100% |

Total Assets

Ovialand posted total assets of ₱1.6 billion as at 31 December 2022, a net increase of ₱495 million or 43% from ₱1.1 billion as at 31 December 2021.

Cash

Cash balance as at December 31, 2022 increase to 206M from 36M as at December 31, 2021 due to operational cash available and bank line drawdown that was executed during December 2022.

Trade receivables

Trade receivables rose by ₱71 million, from ₱217.4 million to ₱288 million due to the increase in sales and retention receivables from Pag-IBIG Fund for the units taken out for the year.

Inventories

Inventories increased by 19% from ₱586 million to ₱697 million due to the acquisition and development of newly acquired projects, Savana San Pablo, Santevi San Pablo and Seriya Baliwag.

Due from co-joint venture

Due from co-joint venture represents the payment made for the unrealized revenue of Sannera Phase 2 joint venture agreement amounting to 4.4M.

Due from Related Parties

Due from related parties increased by ₱20 million due to advances made to related parties. Liquidations for prior transactions were received and documented in relation to donations, BOI socialized housing JV compliance costs, and cash repayments. Additions included JV advances attributable to BOI socialized housing compliance, consultancy fees, and borrowings by related parties. BOI socialized housing compliance costs and consultancy fees are awaiting completion and billing within 12 months. Borrowings by the Parent Company 1802 SJ Holdings and related party under Common Ownership are documented under various PN's.

Prepayments and Other Current Asset

Prepayments and other current assets increased by ₱52 million due to advance payments made to the contractors and suppliers and various security deposits for project utilities including the cost of 2 new school buildings in Candelaria Quezon which are earmarked for donation to the Department of Education.

Right-of-Use Assets

Right-of-use assets decreased by ₱3 million or 81% which represents our usage of said equipment over the period.

Property and Equipment

Property and equipment increased by ₱17 million or 73% from ₱23 million to ₱39 million due to purchase of additional equipment of Santevi project, vehicle for sales & marketing and construction of Ovialand Business Center

Investment Property

Investment property decrease as it was reclassified to property and equipment as its used was identified as headquarters for administrative purposes.

Other Non-Current Assets

Other non-current assets increased by P55M due to purchase of lot in Candelaria Quezon which is earmarked to be donated by the Company to the Department of Education.

Total Liabilities

The Company posted total liabilities of P917 million as at 31 December 2022, a net increase of P60 million or 7% from P857 million as at 31 December 2021.

Trade and Other Payables

Trade and other payables decreased by P1M due to payments made to suppliers.

Interest-bearing Loans

Interest-bearing loans increased from P296 million to P584 million due to additional loans made by the Company for the development of Savana Phase 2 and the land acquisition and development of Seriya Bulacan.

Deposit for Stock Subscription

Deposit for stock subscription decreased as it was converted as payment for the subscribed shares of the stockholders.

Total Equity

The Company posted a total equity of P716 million as at 31 December 2022, a net increase of P434 million or 154% from P282 million as at 31 December 2021 due to the payments received for subscription of shares.

Retained Earnings

The company gained P226 million of net income that resulted in the increase of retained earnings by 36% equivalent to year-end amount of P271 million after issuance of dividends as at 31 December 2022.

Results of Operations as of December 31, 2021 vs. December 31, 2020

| in P'000 | Years ended December 31 | | | | |
|--------------------------------|-------------------------|-------------------|------------------------|--------------------------------|--------------------------------|
| | 2021 (Audited) | 2020 (Audited) | Horizontal Analysis | Vertical Analysis | |
| | | | % of Change | 2021 % of Total Sales | 2020 % of Total Sales |
| REAL ESTATE SALES | 833,104 | 435,101 | 91% | 100% | 100% |
| COST OF REAL ESTATE SALES | 452,826 | 248,364 | 82% | 54% | 57% |
| GROSS PROFIT | 380,278 | 186,737 | 104% | 46% | 43% |
| OTHER OPERATING EXPENSES | | | | | |
| Administrative expenses | 115,734 | 50,921 | 127% | 14% | 12% |
| Selling and marketing expenses | 78,306 | 39,406 | 99% | 9% | 9% |
| TOTAL OTHER OPERATING EXPENSES | 194,039 | 90,328 | 115% | 23% | 21% |
| OPERATING PROFIT | 186,239 | 96,410 | 93% | 22% | 22% |
| OTHER INCOME – Net | 22,358 | 4,274 | 423% | 3% | 1% |
| FINANCE COSTS – Net | -27,111 | -2,643 | 926% | -3% | -1% |
| PROFIT BEFORE TAX | 181,486 | 98,041 | 85% | 22% | 23% |
| TAX EXPENSE | 16,026 | 22,504 | -29% | 2% | 5% |

| | | | | | |
|-----------------------------------|---------|--------|-------|-----|-----|
| NET PROFIT | 165,460 | 75,537 | 119% | 20% | 17% |
| OTHER COMPREHENSIVE INCOME (LOSS) | 924 | -707 | -231% | 0% | 0% |
| TOTAL COMPREHENSIVE INCOME | 166,385 | 74,830 | 122% | 20% | 17% |

Real Estate Sales

Ovialand posted total real estate sales of ₱833.1 million equivalent to 441 house and lot units for the year ended 31 December 2021. This is equivalent to an 91% growth from the previous year's performance of ₱435.1 million equivalent to 238 house and lot units. The increase in real estate sales is due to Ovialand's new project, Caliya Candelaria Phase I which turned over a total of 211 house and lot units. Sannera Phase II contributed 200 units and Sannera Phase I contributed 30 units. The robust sales reflect a growing preference among buyers for more spacious house and lot units brought about by the COVID-19 pandemic.

Cost of Real Estate Sales

Cost of real estate sales increased by 82% to ₱452.8 million compared to ₱248.3 million owing to the higher number of house and lot units constructed and turned over. The cost of real estate sales as a percentage of revenues decreased to 54% of revenue in 2021 from 57% in 2020. This was due to the wider use of OLI-Cast for house construction. OLI-Cast allowed the Company to build the units faster, at lower costs and better quality.

Operating Expenses

Administrative expenses of ₱115.7 million and selling expenses of ₱78.3 million grew by 127% and 99%, respectively compared to 2020. This is due to the full year operations of the Company in 2021 compared to limited operations in 2020 caused by COVID-19 restrictions and the resulting community quarantines. Selling expenses grew in accordance with the increase in revenue and the launching of the Company's new project, Savana San Pablo.

Other Income

Other income, composed of interest income from contracts and processing fee, grew by 423% to ₱22.4 million from ₱4.3 million. This was due to more houses turned over during the period and additional house improvement contracts from buyers.

Finance Income / (Costs)

Finance costs increased by 926% amounting to ₱27.1 million from ₱2.6 million. This is due to the interest earnings paid to joint venture ("JV") partners in Caliya Candelaria Phase I.

Tax Expenses

Ovialand incurred lower tax expenses for the year ended December 31, 2021 of ₱16.0 million or 2% of real estate sales versus ₱22.5 million or 5% of real estate sales for the year ended December 31, 2020. The Company was able to avail of BOI Income Tax Holidays for its projects Sannera Phase II and Caliya Phase I, pursuant to Omnibus Investment Code of 1987 – Expanding Developer of Economic and Low-Cost Housing Project.

Net Income

The Company's net income for the year ended 31 December 2021 amounted to ₱165.5 million. This is ₱90 million or 119% higher than the net income recorded for the year ended December 31, 2020 of ₱75.5 million, mainly attributable to the increase in real estate sales for the period.

| As at December 31 | | | | | |
|-------------------|-----------|-----------|-------------|-------------------|-------------------|
| in ₱'000 | | | Horizontal | Vertical | |
| | 2021 | 2020 | Analysis | 2021 | 2020 |
| | (Audited) | (Audited) | % of Change | % of Total Assets | % of Total Assets |

ASSETS

CURRENT ASSETS

| | | | | | |
|--------------------------------------|------------------|----------------|------------|-------------|-------------|
| Cash | 35,868 | 35,632 | 1% | 3% | 5% |
| Trade and other receivables | 123,695 | 107,881 | 15% | 11% | 15% |
| Real estate inventories | 586,198 | 420,695 | 39% | 51% | 57% |
| Deposit for future land acquisition | | 7,007 | -100% | 0% | 1% |
| Due from related parties | 124,916 | 8,988 | 1290% | 11% | 1% |
| Prepayments and other current assets | 143,158 | 87,863 | 63% | 13% | 12% |
| Total Current Assets | 1,013,836 | 668,067 | 52% | 89% | 90% |
| NON-CURRENT ASSETS | | | | | |
| Trade and other receivables | 93,685 | 34,556 | 171% | 8% | 5% |
| Property and equipment - net | 22,651 | 12,342 | 84% | 2% | 2% |
| Right-of-use assets - net | 3,894 | 8,106 | -52% | 0% | 1% |
| Investment property | 1,886 | 1,886 | 0% | 0% | 0% |
| Other non-current assets | 2,479 | 13,480 | -82% | 0% | 2% |
| Total Non-current Assets | 124,595 | 70,369 | 77% | 11% | 10% |
| TOTAL ASSETS | 1,138,431 | 738,436 | 54% | 100% | 100% |

LIABILITIES AND EQUITY

CURRENT LIABILITIES

| | | | | | |
|----------------------------------|----------------|----------------|------------|------------|------------|
| Interest-bearing loans | 157,053 | 72,227 | 117% | 14% | 10% |
| Trade and other payables | 314,496 | 261,151 | 20% | 28% | 35% |
| Due to co-joint operator | 6,660 | | | 1% | 0% |
| Due to a related party | 97,061 | 78,431 | 24% | 9% | 11% |
| Lease liabilities | 2,884 | 2,381 | 21% | 0% | 0% |
| Income tax payable | | 8,995 | -100% | 0% | 1% |
| Total Current Liabilities | 578,154 | 423,185 | 37% | 51% | 57% |

NON-CURRENT LIABILITIES

| | | | | | |
|---------------------------------------|----------------|----------------|------------|------------|------------|
| Interest-bearing loans | 139,359 | 80,485 | 73% | 12% | 11% |
| Lease liabilities | 1,417 | 4,301 | -67% | 0% | 1% |
| Retirement benefit obligation | 138 | 1,120 | -88% | 0% | 0% |
| Deposit for future stock subscription | 134,736 | 78,621 | 71% | 12% | 11% |
| Deferred tax liabilities - net | 2,973 | 116 | 2459% | 0% | 0% |
| Total Non-current Liabilities | 278,623 | 164,643 | 69% | 24% | 22% |
| Total Liabilities | 856,777 | 587,829 | 46% | 75% | 80% |

EQUITY

| | | | | | |
|-------------------------------------|------------------|----------------|------------|-------------|-------------|
| Capital stock | 82,500 | 82,500 | 0% | 7% | 11% |
| Revaluation reserve | 167 | -757 | -122% | 0% | 0% |
| Retained earnings (Deficit) | 198,987 | 68,864 | 189% | 17% | 9% |
| Total Equity | 281,654 | 150,608 | 87% | 25% | 20% |
| TOTAL LIABILITIES AND EQUITY | 1,138,431 | 738,436 | 54% | 100% | 100% |

Total Assets

Ovialand posted total assets of ₱1.14 billion as at December 31, 2021, a net increase of ₱400.0 million or 54% from ₱738.4 million as at December 31, 2020.

Cash

Cash balance as at December 31, 2021 moved sideways at ₱35.9 million.

Trade receivables

Trade receivables rose by ₱74.9 million, from ₱142.5 million to ₱217.4 million due to the increase in sales and retention receivables from HDMF. This is mainly due to sales from the Savana project.

Inventories

Inventories increased by 39% from ₱420.7 million to ₱586.2 million due to the acquisition and development of newly acquired projects, Savana San Pablo and Santevi San Pablo and capitalization of JV cost for Caliya Candelaria.

Due from Related Parties

Due from related parties increased by ₱115.9 million from ₱8.9 million to ₱124.9 million due to advances granted to the parent company and companies with common ownership. These are attributable to socialized housing JV contribution costs as required by the BOI for the Company's real estate projects to be eligible for BOI-Income Tax Holiday, advances to purchase land, and PN's granted to the parent company and related party under common ownership. Payments and liquidations were also received for the prior year's related party transactions.

Prepayments and Other Current Assets

Prepayments and other current assets increased by ₱55.3 million from ₱87.9 million to ₱143.2 million due to payments made to the Company's JV partner and various security deposits for project utilities and rented living spaces used for workers and employees.

Right-of-Use Assets

Right-of-use assets decreased by ₱4.2 million or 52% from ₱8.1 million to ₱3.9 million which represents the Company's usage of said equipment over the previous historical period. These represent equipment under lease contract or lease financing agreements.

Property and Equipment

Property and equipment increased by ₱10.4 million or 84% to ₱22.7 million due to the purchase of equipment for the start-up of construction of Savana.

Other Non-Current Assets

Other non-current assets decreased by 82% from ₱13.5 million to ₱2.5 million due to the sale of units agreed in the JV sharing terms.

Total Liabilities

The Company posted total liabilities of ₱856.8 million as at 31 December 2021, a net increase of ₱268.9 million or 46% from ₱587.8 million as at 31 December 2020.

Trade and Other Payables

Trade and other payables increased by 20% from ₱261.2 million to ₱314.5 million due to increased construction materials requirements and commission accruals for new projects Caliya Phase I and Savana. Upon house completion and loan takeout, accrued amounts are reclassified to cost of sale for the construction materials.

Due to Co-Joint Venturer

Due to co-joint operator increased to ₱6.7 million from nil in the previous period as share of the co-joint venturer / "JV Partner" for the sold unit.

Interest-bearing Loans

Interest-bearing loans materially increased from ₱152.7 million to ₱296.5 million due to additional loans made by the Company for the development of Savana and the land acquisition of Santevi.

Deposit for Stock Subscription

Deposit for stock subscription increased by 71% to ₱135 million as payment for the subscribed shares of the stockholders.

Total Equity

The Company posted a total equity of ₱281.7 million as at 31 December 2021, a net increase of ₱131.1 million or 87% from ₱150.6 million as at 31 December 2020.

Retained Earnings

The company gained ₱166.4 million of net income that resulted in the increase of retained earnings by 189% equivalent to year-end amount of ₱199 million as at 31 December 2021.

Results of Operations as of December 31, 2020 vs. December 31, 2019

| in ₱'000 | Years ended December 31 | | | | |
|--|-------------------------|-------------------|------------------------|-----------------------------|-----------------------------|
| | 2020 (Audited) | 2019 (Audited) | Horizontal Analysis | Vertical Analysis | |
| | | | % of Change | 2020 % of Total Sales | 2019 % of Total Sales |
| REAL ESTATE SALES | 435,101 | 359,878 | 21% | 100% | 100% |
| COST OF REAL ESTATE SALES | 248,364 | 307,131 | -19% | 57% | 85% |
| GROSS PROFIT | 186,737 | 52,747 | 254% | 43% | 15% |
| OTHER OPERATING EXPENSES | | | | | |
| Administrative expenses | 50,921 | 25,192 | 102% | 12% | 7% |
| Selling and marketing expenses | 39,406 | 31,129 | 27% | 9% | 9% |
| TOTAL OTHER OPERATING EXPENSES | 90,328 | 56,320 | 60% | 21% | 16% |
| OPERATING PROFIT | 96,410 | -3,574 | -2798% | 22% | -1% |
| OTHER INCOME – Net | 4,274 | 5,009 | -15% | 1% | 1% |
| FINANCE COSTS – Net | -2,643 | -760 | 248% | -1% | 0% |
| PROFIT BEFORE TAX | 98,041 | 675 | 14415% | 23% | 0% |
| TAX EXPENSE | 22,504 | 390 | 5668% | 5% | 0% |
| NET PROFIT | 75,537 | 285 | 26376% | 17% | 0% |
| OTHER COMPREHENSIVE INCOME (LOSS) | -707 | -50 | 1324% | 0% | 0% |
| TOTAL COMPREHENSIVE INCOME | 74,830 | 236 | 31655% | 17% | 0% |

Change of Auditor and Adoption of Full Philippine Financial Reporting Standards (PFRS)

Ovialand changed its auditors starting fiscal year 2020 from Villaruz Villaruz & Co. CPAs to Punongbayan & Araullo. During this year the Company made its first-time adoption of PFRS in accordance with PFRS 1.

In prior years, the Company had been preparing its financial statement under PFRS for Small and Medium-size Entities (SMEs) since its total assets and liabilities did not exceed the threshold set by the SEC. However, in 2019, total assets and liabilities already exceeded the SEC thresholds and in 2020, the Company determined that the balance of the Company's total assets and liabilities still exceeded and is expected to continuously and significantly exceed the threshold set by the SEC for the Company to qualify as a SME under the Revised Securities Regulation Code Rule 68. The effect of the transition of accounting reporting standards resulted to a restatement of costs and retained earnings for 2019.

Real Estate Sales

For the year ended December 31, 2020, the Company recognized ₱435 million in real estate sales representing a year-on-year increase of 21% compared to real estate sales of ₱359.9 million for the year ended December 31, 2019. Despite the uncertainties of the pandemic and community lockdowns, Ovialand's management decided to continue all projects and was able to recognize real estate sales for its new project, Sannera San Pablo Phase II, using its new building technology, OLI-Cast precast system.

Cost of Real Estate Sales.

Cost of real estate sales decreased to ₱248.4 million from ₱307.1 million despite a 21% growth in real estate sales for the period. The OLI-Cast system allowed the Company to build houses faster, cheaper and with less personnel allowing the Company to continue construction while observing maximum allowable worker density per site based on Inter-Agency Task Force (IATF) or local government guidelines. The introduction of the OLI-Cast precast system also resulted in the decrease in cost of real estate sales from 85% of real estate sales to 57% of real estate sales, thereby improving the Company's gross profit margins.

Operating Expenses.

Selling expenses of ₱39.4 million and administrative expenses of ₱50.94 million grew by 27% and 102% year-on-year, respectively. This was caused by the increased sales in 2020 and by COVID-19 related expenses incurred by the Company to ensure business continuity and employee safety for all sites. These include Company housing for employees and larger barracks for workers, private transportation to and from sites and third party logistics and delivery services for contactless transactions. The transition from SME to full PFRS of the Company also affected these expenses.

Finance Income / (Costs).

The company incurred finance costs amounting to ₱2.6 million from the continuous interest payments to its investors and banks.

Net Income.

The Company's net income for the year ended December 31, 2020 amounted to ₱74.8 million. This is a material increase of ₱74.6 million compared to the net income recorded for the year ended December 31, 2019 of ₱236 thousand. The launch of the new project Sannera San Pablo Phase II and the decrease in cost of real estate sales contributed to the significant increase in the Company's net income.

| in ₱'000 | As at December 31 | | | | |
|--------------------------------------|-------------------|----------------|-------------|-------------------|------------------|
| | 2020 | 2019 | Horizontal | Vertical Analysis | |
| | (Audited) | (Audited) | Analysis | 2020 | 2019 |
| | | | % of Change | % of Total Asset | % of Total Asset |
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Cash | 35,632 | 17,936 | 99% | 5% | 4% |
| Trade and other receivables | 107,881 | 83,390 | 29% | 15% | 18% |
| Inventories | 420,695 | 282,946 | 49% | 57% | 62% |
| Deposit for future land acquisition | 7,007 | | | 1% | 0% |
| Due from related parties | 8,988 | | | 1% | 0% |
| Prepayments and other current assets | 87,863 | 31,456 | 179% | 12% | 7% |
| Total Current Assets | 668,067 | 415,727 | 61% | 90% | 91% |
| NON-CURRENT ASSETS | | | | | |
| Trade and other receivables -NC | 34,556 | 11,954 | 189% | 5% | 3% |
| Property and equipment - net | 12,342 | 9,641 | 28% | 2% | 2% |
| Right-of-use assets - net | 8,106 | 2,550 | 218% | 1% | 1% |
| Investment Property | 1,886 | | | 0% | 0% |
| Deferred tax asset | | 2,590 | -100% | 0% | 1% |

| | | | | | |
|---------------------------------|----------------|----------------|------------|-------------|-------------|
| Other Non-current Assets | 13,480 | 14,996 | -10% | 2% | 3% |
| Total Non-Current Assets | 70,369 | 41,731 | 69% | 10% | 9% |
| Total Assets | 738,436 | 457,458 | 61% | 100% | 100% |

LIABILITIES AND EQUITY

CURRENT LIABILITY

| | | | | | |
|----------------------------------|----------------|----------------|------------|------------|------------|
| Trade and other payables | 261,151 | 103,243 | 153% | 35% | 23% |
| Due to related parties | 78,431 | 97,176 | -19% | 11% | 21% |
| Interest-bearing loans- C | 72,227 | 42,262 | 71% | 10% | 9% |
| Income tax payable | 8,995 | | | 1% | 0% |
| Lease Liability - Current | 2,381 | 624 | 282% | 0% | 0% |
| Total Current Liabilities | 423,185 | 243,305 | 74% | 57% | 53% |

NON-CURRENT LIABILITY

| | | | | | |
|--------------------------------------|----------------|----------------|------------|------------|------------|
| Interest-bearing loans -NC | 80,485 | 136,693 | -41% | 11% | 30% |
| Lease Liability - Non Current | 4,301 | 1,450 | 197% | 1% | 0% |
| Retirement benefit obligation | 1,120 | 232 | 383% | 0% | 0% |
| Deposit for stock subscription | 78,621 | | | 11% | 0% |
| Deferred tax liability | 116 | | | 0% | 0% |
| Total Non-Current Liabilities | 164,643 | 138,375 | 19% | 22% | 30% |
| Total Liabilities | 587,829 | 381,680 | 54% | 80% | 83% |

EQUITY

| | | | | | |
|-------------------------------------|----------------|----------------|------------|-------------|-------------|
| Capital stock | 82,500 | 82,500 | 0% | 11% | 18% |
| Revaluation Reserve | -757 | -50 | 1424% | 0% | 0% |
| Retained earnings | 68,864 | -6,673 | -1132% | 9% | -1% |
| Total Equity | 150,608 | 75,778 | 99% | 20% | 17% |
| Total Liabilities and Equity | 738,436 | 457,458 | 61% | 100% | 100% |

Total Assets

Ovialand posted total assets of ₱738 million as at December 31, 2020, a net increase of ₱281 million or 61% from ₱457.5 million as at 31 December 2019.

Cash.

Cash balance improved from ₱17.9 million to ₱35.6 million as at 31 December 2020 or 99% growth due to increase in sales from Sannera phase 1 and Phase 2 project and better control on costs.

Trade and Other Receivables.

Trade and other receivables rose by ₱47.1 million from ₱95.3 million to ₱142.4 million due to the increase in real estate sales and the related retention receivables from HDMF for accounts financed by them for the period. The Company offered a restructuring agreement to its clients as part of the Bayanihan Act 2020 that also contributed to a delay in collections and increase of receivables. Alternate working arrangements in the Company and the related government agencies brought about by the pandemic also contributed to longer processing times for the retention refunds from HDMF.

Inventories.

Inventories increased by ₱137.7 million or 49% to ₱420.7 million compared to ₱282.9 million. This is due to the new project Caliya Candelaria Phase I and increased construction activities for Sannera San Pablo Phase I and II.

Deposit for future land acquisition.

The Company also decided to continue with its landbank targets and continued with its acquisition of new property for development, paying an initial deposit of ₱7 million.

Due from Related Parties.

The company incurred ₱8.9 million advances from related parties for the year 2020 which was in support of overhead expenses incurred during stay-at-home orders at the start of the COVID-19 pandemic.

Prepayments and Other Current Assets.

Prepayments and other current assets increased by ₱56.4 million or 179% to ₱87.9 million. These are advanced payments made by the Company to its land development contractors for Caliya Candelaria Phase I and Sannera San Pablo Phase II.

Property and Equipment.

Property and equipment increased by ₱2.7 million to ₱12.3 million for the purchase of equipment for the new project, Caliya Candelaria Phase I.

Right-of-Use Assets.

Right-of-use assets increased by 218% to ₱8.1 million due to the leasing of equipment also for Sannera Phase II and Caliya Candelaria Phase I.

Investment Property.

In 2020, the Company reclassified a parcel of land from its inventory to investment property amounting to ₱1.9 million which will be used as a site for a future commercial building.

Other Non-Current Assets.

Other non-current assets decreased by 10% due to the sale of units as agreed in the sharing terms.

Total Liabilities

The Company posted total liabilities of ₱587 million as at 31 December 2020, a net increase of ₱206 million or 54% from ₱381.7 million as at 31 December 2019.

Trade and Other Payables.

Trade and other payables increased by 153% from ₱103.2 million to ₱261 million due to the new project, Caliya Candelaria Phase I and full operations of Sannera San Pablo Phase II. This also reflected increased construction materials purchased by the Company, to ensure our supply in anticipation of problematic logistics and delivery turnaround times brought about by the pandemic. There was also an increase in commission payables due to increased sales for the financial year and accrual of interest for Caliya Candelaria JV.

Lease Liability.

Lease liability increased by 222% to ₱6.7 million which was used to finance construction equipment for the new project, Caliya Candelaria Phase I.

Interest Bearing Loans.

Interest bearing loans decreased by 15% or ₱179 million to ₱152.7 million compared to its year end loan balance as at December 31, 2019. The Company decided to continuously pay its loans to the bank despite the availability of the Bayanihan Act.

Deposit for Stock Subscription.

The stockholders made a deposit of ₱78.6 million as payment to their subscribed shares.

Total Equity

The Company posted a total equity of ₱150.6 million as at 31 December 2020, a net increase of ₱74.8 million or 99% from ₱75.8 million as at 31 December 2019.

Retained Earnings.

The Company gained ₱74.8 million of net income that led to the reversal of retained losses from the previous period.

BUSINESS OVERVIEW

Ovialand, Inc., (the “Company” or “Ovialand”) founded in 2014, is a fast-growing real estate developer focused on pioneering the massive potential of the premium affordable housing market in the country. The Company’s vision is to be a top real estate brand for emerging generations of aspirational and discerning customers across the country. Ovialand aims to carve out a new housing market segment, referred to as “Premium Affordable” which caters to a new generation of Filipino homebuyers which Ovialand describes as ‘Educated, Hard-working & Aspirational’. Ovialand aims to lead this new category thru the Company’s mission of Premier Family Living.

The Company’s mission of Premier Family Living is identified in 3 pillars and demonstrated across all developments. The 3 pillars are: Premier Homes, Premier Communities & Premier Service.

The Company’s real estate developments offer premium suburban family living with well-designed, masterfully built homes made of quality materials and ample amenities and common spaces that include manicured pocket gardens, outdoor play areas, swimming pools, and clubhouses. Ovialand understands that the Filipino homebuyer is not simply buying a house and lot but is buying into a lifestyle and a community. It knows that each purchase of a house and lot is a milestone for the homebuyer and Ovialand provides a memorable and pleasant experience of such a milestone through a seamless purchase for each of its homebuyers by assigning a dedicated personal account officer from reservation to delivery of the unit.

Currently, Ovialand’s communities are located in San Pablo, Laguna and Candelaria, Quezon. Since 2017, it has constructed and turned over 1,614 houses. The Company has 42.6 hectares in its landbank with five (5) ongoing projects covering 35.9 hectares. Ovialand’s ongoing projects consist of the following: (i&ii) Savana Phase 1 and Phase 2 which has a total of 6.8 hectares with a total of 588 house and lot units which started in Q4 2021 and is targeted to be completed by Q4 2024, (iii) Caliya Phase 1, located in Candelaria, Quezon targeted to be completed by Q4 2023 with a total of 591 units covering an area of 6.8 hectares, and (iv) Santeví, San Pablo a 9.9 hectare development with 707 house and lot units for completion by Q4 2025 and (v) Seriya, Baliwag, Bulacan a 8.9 hectare development with 698 house and lot units slated for completion by Q4 2026. The Company has identified 6 projects in its immediate pipeline with 10.7 hectares already acquired plus 34 hectares to be acquired, equivalent to about 3,600 units inventory.

Ovialand plans to acquire more parcels of land to grow its land bank up to 217 hectares within the next 5 years. Currently, it has the capacity to build up to 1,200 units per year through its proprietary precast system, the OLI-Cast precast system. The OLI-Cast precast system uses monolithic wall panels, welded together at the corners using a steel plate. Each wall is made of a solid concrete piece that prevents leaks from entering the homes. The walls and structures are lifted and erected using a mobile crane, allowing the technology to be efficient and less labor dependent. Ovialand assembles a pre-cast facility in each development, eliminating logistical costs in transporting the massive pieces of panels. Each pre-cast facility is also modular, making the whole system easily transferable to different project sites as needed.

Ovialand is working on increasing such capacity to 1,500 units per year this year. With this capacity, it will be able to complete and deliver between 20 to 25 homes in a month per casting bed set. In 5 years, the Company plans to increase its precast capacity to 2,700 units per year and by 2033, to further ramp up such capacity to build up to 7,500 units per year. In order to increase its production capacity, the Company intends to build at least 1 set of casting bed in each project.

Ovialand primarily serves and targets an aspirational market, particularly the emerging middle-income earners who are looking to purchase homes between the range of ₱2 million to ₱4 million. This particular target market has become discerning when it comes to investing their hard-earned money. In this day of ceaseless influences, the emerging middle class has learned to aspire for better quality products and services but within their budget. Ovialand is focused on providing this particular market the best value for money house and lot product their hard-earned peso can buy.

The consolidated sales, gross profit and EBITDA of Ovialand for the year ended 31 December 2022 were ₱1.37 billion, ₱575.4 million, ₱326.8 million respectively compared to December 31, 2021 consolidated sales of ₱833.1 million, gross profit of ₱380.3 million and EBITDA of ₱219.9 million. For the year ended 31 December 2020, sales, gross profit and EBITDA of Ovialand were ₱435.1 million, ₱186.7 million and ₱107.1 million respectively.

The COVID-19 Pandemic

COVID-19, an infectious disease that was first reported to have been transmitted to humans in late 2019, has spread globally over the course of 2020, and in March 2020 it was declared a pandemic by the World Health Organization. The pandemic and its disruption of global supply chains have affected construction activities, with shortages of raw materials and other inputs, contractors and subcontractors, and workers. Some building material supply chains have suspended production and distribution. There was a delay in the construction as well as costs increased as many factories have been closed for extended periods. Limited transportation and travel bans also delayed project delivery. Labor shortages have been a problem for the real estate development sector since the lockdowns were first imposed in response to the pandemic.

In order to resume operations amidst the earlier lockdowns and community quarantine, the Company provided free board, lodging, and transportation for all its employees. This enabled the Company to quickly recover sales and construction activities to pre-pandemic levels by June 2020. In 2022, OviaLand instituted quarterly supply contracts with its cement, steel, roofing, doors and windows and tiles suppliers to ensure a stable supply of major construction materials for its production.

Recent Developments

On November 16, 2020, OviaLand Inc. filed for an amendment of its Articles of Incorporation and increase in capitalization. The Company received approval from the SEC for both applications on March 4, 2022. The increase in capitalization was from ₱500,000,000.00 divided into 400,000 common shares with Par Value of ₱1,000.00 per share and 100,000 preferred shares with par value of ₱1,000.00 per share to ₱1,000,000,000.00 divided into 900,000,000 common shares of par value of ₱1.00 each and 100,000 preferred shares of the par value of ₱1,000.00 each.

With the approval of the increase in capitalization last March 4, 2022, all existing stockholders fully paid up their subscriptions by March 15, 2022. With the fully paid-up subscriptions, total capital stock of the Company is at ₱435,000,000.00 with additional paid-in-capital of ₱10,000,000.00.

On March 2, 2022, the Board and stockholders held a meeting to approve the amendment to the Company's Articles of Incorporation to reflect the following: (a) a new principal address to Unit 2701 Parkway Corporate Center, Corporate Ave. cor. Parkway Place, Filinvest, Muntinlupa City; and (b) that the authorized capital stock of ₱1,000,000,000.00 shall be divided into 1,800,000,000 common shares with par value of ₱0.50 per share and 100,000 preferred shares with par value of ₱1,000.00 per share.

On May 30, 2022, the Company applied for a 1:2 stock split of its common stocks with the resulting change in par value of its common stocks from P1.00 to P0.50. This was approved by the SEC on June 14, 2022.

STRENGTHS AND STRATEGIES

Competitive Strengths



HousEasy! Unique selling proposition of OviaLand's house & lot products

OviaLand offers "Instant Homes, Instant Financing - HousEasy!" to their clients, allowing their buyers to move into their brand new homes within 3-6 months of reservation, depending on the availability of units. OviaLand is able to offer this to its clients by blending together its speed in house construction using the OLI-Cast precast system and easy-to-own payment terms for its clients. Included in OviaLand's ability to build homes quickly is also their speed and competency in the pre-development activities needed for every new development. Instant Financing is achieved through proper screening of clients upon reservation of units to ensure higher chances of approval for their housing loan applications. The downpayment requirement is between 5-10% of the total contract price, payable over 3-6 months, depending on the turnover schedule of the unit chosen by the client.

Currently, 98% of OviaLand clients are availing their housing loan via state-owned Home Development Mutual Fund ("Pag-IBIG Fund", "Pag-IBIG", or "HDMF"). As a Prime Developer, OviaLand is able to take out the financing proceeds of its clients between 21-35 days versus 6 to 9 months for non-prime developers.



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Addressing a growing aspirational market through a Premium Affordable product position

The Philippines remains to be one of the most dynamic economies in the East Asia Pacific region with the country's growth driven by strong consumer demand, a competitive young labor force, steady flow of OFW remittances, and robust performance from the service, BPO, real estate, and financial sectors.

The country has a young and large working population fueling a growing market of Filipino homebuyers. Of the total Philippine population of 109 million (as of 2020), around 68%¹ is comprised of the working population mostly from the services sector such as local professionals, supervisors/managers, SME business owners, professionally licensed individuals, and white collar OFWs. Furthermore, the Philippines has a large OFW population estimated at 2.2 million based on the 2019 Survey on Overseas Filipinos, with average annual remittance per capita of ₱106,000. Despite the COVID-19 pandemic, effects of the Russia-Ukraine war and global inflationary concerns, OFW cash remittances grew by 3.6% for the full year of 2022 compared to the same period last year, reaching an all time high of USD36.14 billion. With the continued reopening of economies, the BSP expects further growth of remittances in the Philippines.

According to the Subdivision and Housing Developers Association ("SHDA") report on The Housing Industry Road Map of the Philippines: 2012 – 2030, the country's housing backlog is expected to hit at least 6.5 million households by 2030, considering an average total housing production of 250,000 units annually.

SHDA categorizes the housing market into different segments based on price cap:

| Segments | SHDA Price Range (in ₱) | |
|------------|-------------------------|-----------|
| | From | To |
| Socialized | Below | 700,000 |
| Economic | 700,001 | 2,500,000 |
| Low Cost | Over 2,500,000 | 3,000,000 |
| Mid End | Over 3,000,000 | 6,000,000 |
| High End | Over 6,000,000 | and above |

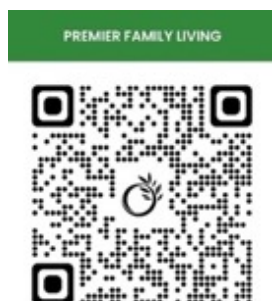
Ovaland understands that the housing industry has evolved to become an "aspirational market" and that many middle-class homebuyers are moving towards premium affordable houses (or "Preference to Premium") in the price range of ₱2 million to ₱4.0 million. This consumer behavior and Preference to Premium trend is largely attributable to improving macroeconomic factors, such as the growing middle class, accelerating urbanization, and growing disposable incomes. Ovaland recognizes that many Filipino homebuyers are becoming more discerning and increasingly more inclined to purchase higher quality houses at even higher price points within their means, compared to 10-15 years ago.

Given the dynamics and massive potential of the emerging aspirational market, Ovaland has positioned itself to cater to and capitalize on a segment of homebuyers looking for premium affordable houses starting at the ₱2 million price point. These are individuals with the intention to purchase houses as primary homes rather than for

¹ Based on the 2020 Labor Force Survey and Census by the Philippine Statistics Authority. Percentage computed using the population in the Philippines who are 15 years old and over and the total Philippine population

investment. Such home-buyers envision themselves living in a “dream home”, one that can add value to their stature and quality of life.

Over the years, Ovialand has developed a deep understanding of the needs and preferences of this market and has been able to tailor its offerings to attract demand through the “Premier Family Living” concept. Premier Family Living means delivering the best value-for-money home ownership and community living experience via three (3) core offerings: (a) Premiere Homes; (b) Premiere Communities; and (c) Premiere Services.



The Premier Family Living mission demonstrated into 3 concrete pillars

Premiere Homes

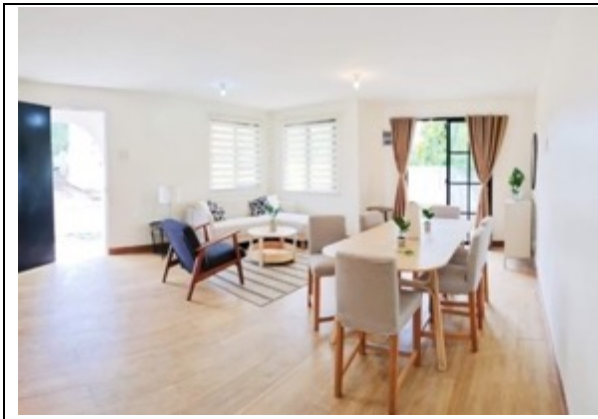
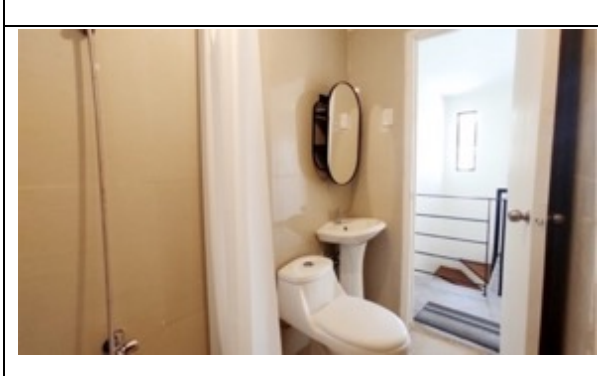
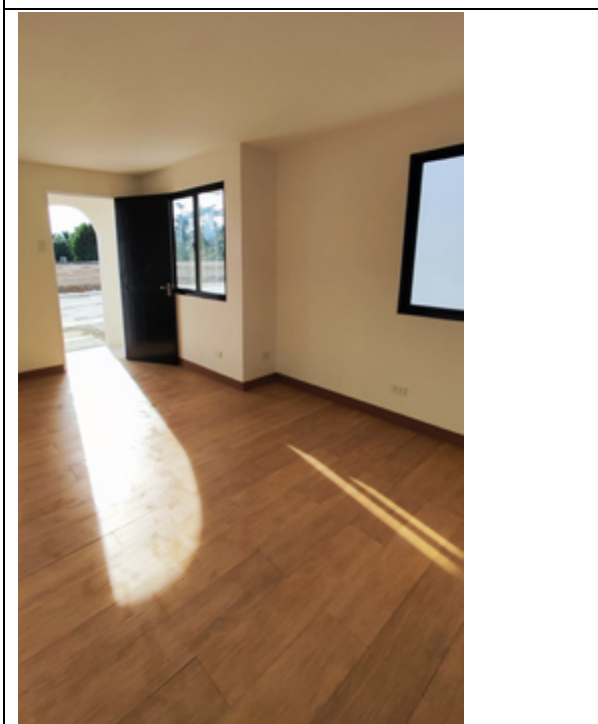
Ovialand homes are made of solid-concrete using quality finishing materials, skillfully installed by its team of competent workers.

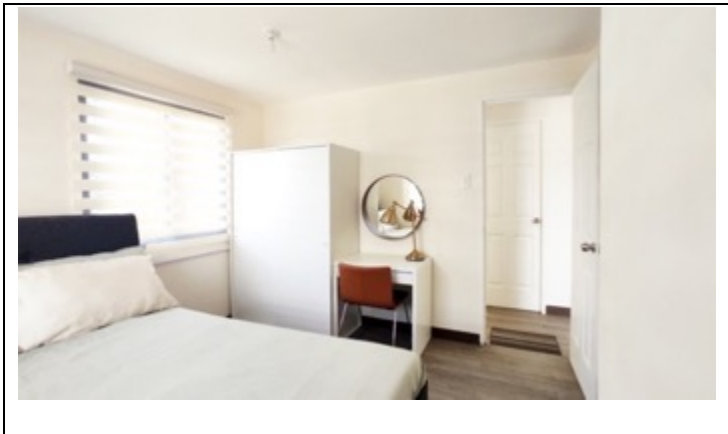
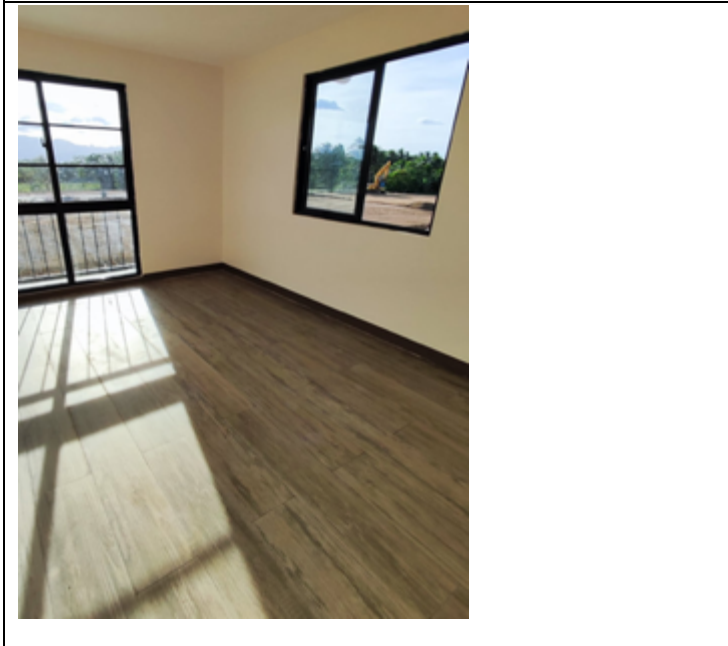
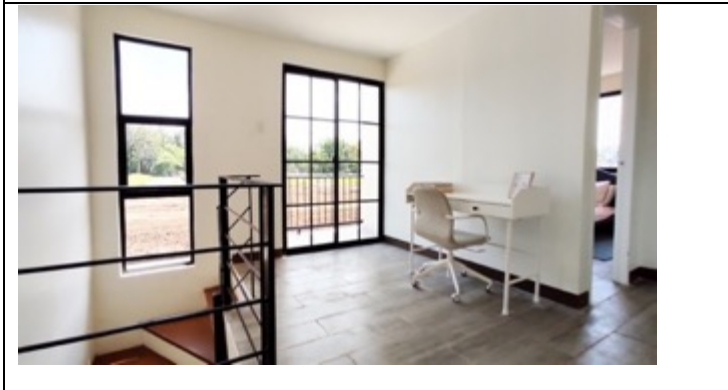

The Company’s housing designs are unique to each development and places the customer foremost in mind. The Company follows rigorous detail in designing the house and lot units to make sure that it is aesthetically pleasing to the market while keeping in mind practicality and efficient use of space. The Company’s houses are designed together with the late Architect Melvin Patawaran under his architectural firm, Tropiks Design Studio, known for their tropical inspired designs as well as their founder’s advocacy for heritage sites restoration.

Tropiks Design Studio has been recognized as a finalist of Blueprint Avid Design Competition for the year 2012-2013.

Ovialand homes aspire to be picturesque and ready for the social-media feed of its homeowner. Aside from the focus on aesthetics, Ovialand homes are turned over with complete finishing, ready for the clients’ move-in. Signature features include: toilet and bathrooms fully tiled from floor to ceiling, using high-end lavatory fixtures, aluminum windows, ceramic wood tile floorings, full-concrete stairs, subway tiles back splash, steel front doors and archway entryways for the front porch. Based on the SKF study as reflected in Table 39 and Table 41, such finishes are above what the Company’s competitors are delivering.

| Photo | Description |
|---|---|
|  | <p>Actual unit of a Single Detached home in Santeví, San Pablo.</p> <p>Homes built using a Modern-American design inspiration</p> |

| | |
|--|--|
|  | <p>Interior view of Single detached home in Santeví.</p> <p>Ovialand stages sample units to display the use of space. The unit turnover is exactly as shown in the model unit, and the clients can envision their furnitures inside, clearly understanding the look of the turn-over unit.</p> |
|  | <p>Ovialand homes provide a signature Toilet & Bath standard in all its units. The T&B consists of floor to ceiling tiles using high quality and branded toilet and shower fixtures.</p> |
|  | <p>Ovialand homes are turned over with high quality flooring, in this case, ceramic wood tiles that contribute to the pleasing aesthetic of the home, as well as a durable finishing material for high traffic areas in the house.</p> |



| | |
|---|--|
|  | <p>One of the staged bedrooms in the model unit, Ovialand homes consist of spacious bedrooms, consistent with the ceramic wood tile flooring. Large windows allow for natural light and good air flow within the home.</p> |
|  | <p>Sample empty bedroom in a premier home of Ovialand</p> |
|  | <p>Common area in the 2nd floor of the home, ideal space for working / studying for the family. The sliding doors open to a mini balcony that allows natural light and wind to engulf the 2nd floor.</p> |
|  | <p>Evening view of Townhouse end and Townhouse Inner unit</p> |





Premiere Communities

The Company puts emphasis in developing communities that are safe and secure, an ideal space for young families to thrive. Basic components such as enclosed perimeter fence, designated exit and entry points, ensured adequate availability of utilities and strong internet availability are some of the necessary items that OviaLand prioritizes in all developments. The Company also makes sure that its communities are designed to ensure that road elevations are properly designed so that water effluent standards are met and flooding and water stagnation are avoided.

OviaLand communities are built for a growing family, complete with amenities and security measures. Once customers move in to OviaLand's developments, the projects become catchment areas and catalysts of economic growth in the locality, allowing property to values to increase immediately. OviaLand also provides property management services for each development pending the transfer of housing units to its clients. Once units are turned-over, the Company organizes the development's homeowners' association and the transitioning property management agency to ensure that the community is self-sustaining.

Community-living is a concept that is introduced to all clients once they reserve their units with OviaLand. Clients and future homeowners are properly informed to ensure that house renovation specifications and design guidelines are complied with, resulting in mutualistic property value appreciation. Community activities are promoted within all developments to encourage and foster a positive neighborhood atmosphere between homeowners.

| | |
|---|---|
|  | Swimming pool and clubhouse in Sannera San Pablo, an ideal amenity for the community. |
|  | Enclosed children's playground to ensure that children will not be able to accidentally run out to the streets while playing. |

| | |
|---|--|
|  | <p>Entrance signage and gate of Savana, San Pablo</p> |
|  | <p>Aerial view of Caliya in Quezon</p> |
|  | <p>Entrance Gate perspective of Seriya, Baliwag, Bulacan</p> |
|  | <p>Clubhouse of Santeví, San Pablo</p> |

Premiere Service

Ovialand is committed to provide each client a smooth home buying experience from unit reservation until unit turnover. From the initial communication with clients, Ovialand ensures that all information are properly communicated to the clients to avoid misunderstandings, misleading statements and misinterpretations. Homeowner's financing is an integral part of the home-buying process and Ovialand ensures that eligibility for

financing is screened upon initial reservation. Coupled with its competitive pricing strategy, once OviaLand determines eligible clients, the Company is able to provide a quick and hassle-free home buying experience. Since OviaLand is a Prime Developer of HDMF, and has an accreditation partnership with several commercial banks, it can process and facilitate housing loan take out for customers within three (3) to six (6) months from reservation of the housing unit. Upon loan take out, the Company is committed to turn over the brand new house and lot to its client within 30 days, ensuring that the home is usable for the homebuyer for his first payment of monthly amortization. Throughout the whole process, the Company assigns a dedicated salesperson to assist each client. This allows the clients to centralize their queries and concerns to one OviaLand personnel for quicker exchange of information and decision making, making for a smooth and hassle-free home-buying experience.



A personal account officer is assigned to every homebuyer to ensure that they are properly assisted every step of the way. The Account officer will be the only point person of the buyer when it comes to his/her account to avoid miscommunication.





Click on QR code to watch video

One of the fastest growing developers offering in-demand premium affordable homes in the South & Central Luzon area.

Ovialand has generated strong sales by capitalizing on the market for premium affordable homes in South Luzon. The initial focus on this region is based on its proven potential for economic growth: South Luzon recorded the highest GDP growth at 7.6%² in 2021 amongst all regions in the Philippines. Furthermore, the provinces of South Luzon are very accessible to Metro Manila and many areas are increasingly becoming more urbanized. With over seven (7) years of experience in building homes in South Luzon, Ovialand has developed a network that allows it to find and acquire good locations for its projects.

In 2022, the Company added a new high-growth region in its portfolio through a property in Baliwag, Bulacan which served as its entry to Central Luzon region. Central Luzon is the third largest economic region in the country, next to NCR and Southern Luzon (R4A), making it the next best location for Ovialand to expand to. The region has also become the most favored investment destination in the country in 2022 as major developments such as the Bulacan International Airport and multiple railway and toll road projects such as Malolos-Clark Railway, MRT 7, North-South Commuter Railway and the Skyway extension all make it extremely accessible to and from Metro Manila.

The Company has also created strong relationships with local sales agents and brokers whose insights have helped craft better sales strategies for the region. Ovialand continues to see material underserved demand in South & Central Luzon for the Company's premium affordable offering and Ovialand is well-positioned to address this market.

Proprietary pre-cast homebuilding technology that enables quick turnaround and quality finish.

The Company continuously invests in advanced technological innovations that allow for efficient construction turnaround while at the same time maintaining the quality of its houses. Ovialand uses precast technology in building its houses. The OLI-Cast precast system uses monolithic wall panels, welded together at the corners using a steel plate. Each wall is made of a solid concrete piece that prevents leaks from entering the homes. The walls and structures are lifted and erected using a mobile crane, allowing the technology to be efficient and less labor dependent. Ovialand assembles one pre-cast facility in each development, eliminating logistical costs in transporting the massive pieces of panels. Each pre-cast facility is also modular, making the whole system easily transferable to different project sites as needed.

Such technology is efficient and highly scalable with the the OLI-Cast precast system having a house production capacity of about 1,200 units per year, allowing Ovialand to construct houses in as fast as 45 days. Ovialand's pre-cast system employs a highly technical monolithic approach in construction that is not used by other local developers. The Company is looking to increase its building capacity to 1,500 units per year this year with further improvements in capacity to 2,700 units per year in five (5) years and 7,500 units per year by 2033. In order to

² Source: Philippine Statistics Authority

increase its production capacity, the Company intends to expand its pre-cast technology by building more casting beds and continuous improvements and research.

Ovialand's research and development has led to a unique and efficient pre-cast technology that reduces the usual twenty-four (24) hour curing period to just eighteen (18) hours. This allows the Company to build the structure in just one (1) day and ready for move-in in as fast as forty five (45) days. This innovation enables the Company to accelerate the construction process and deliver houses in a timely manner, while still maintaining its desired high quality. Through this proprietary process, construction costs, development time, and customer move-in waiting time are all reduced, thereby making Ovialand a very competitive player in the premium affordable market.

The OLI-Cast precast system is set up in every development of Ovialand. Each development begins with 1 set of casting beds and equipment that can build up to 25 units per month per set. Depending on the project speed, the Company can easily adjust its building capacity for each site by adding more casting beds.

In addition, all construction is done in-house, which ensures careful supervision and quality control. Ovialand implements a stringent quality control system based on the operative principle of "ready for turnover at first inspection," i.e., Ovialand aims to deliver a product that its customers are immediately impressed with during their first visit and which they can readily move into at their earliest convenience.



Quality Assured, every time

Prior to turnover, Ovialand's Quality Control team inspects every unit to ensure that the committed quality is at par for every homebuyer. The company strives to ensure that clients will no longer have any concerns upon turnover of unit by conducting a quality check process which involves but is not limited to: cleanliness, leak tests, tile alignment, electric supply inspection among others.

End-to-end operational excellence and premier services highly suited for the premium affordable market

Ovialand has developed an excellent flow for its project operations spanning across different areas in its integrated value chain, beginning from the careful planning and development of its projects, construction, sales, financing, customer service, and property management. Such integrated workflow allows the Company to deliver customer-centric services that make it a smooth and easy home buying experience for its customers.

Planning and Development: Ovialand's management team engages in meticulous planning of its projects from identifying the location, designing the projects and amenities, materials procurement, as well as landbank acquisitions. This allows the Company to offer products and services that are best suited for the premium affordable housing market.

Sales: Ovialand has an accredited team of licensed brokers and sellers tasked to find the right fit of homebuyer for the Company. This team of dynamic young sellers have adapted and are continuously being trained in the areas of digital selling and qualification of buyers to maintain the quality of accounts of Ovialand homebuyers. The

Sales team is constantly recruiting and training a strong sales force to be able to open new sales funnels at all times.

Understanding that its target market has evolved to young and tech-savvy working individuals, the Company adapted and integrated the use of technology into its sales process by making OviaLand present on mainstream online sales points (i.e. social media platforms) to effectively reach customers and provide a convenient homebuying experience. Furthermore, its quick response to the use of technology allowed the Company to secure sales continuity and maintain a healthy growth despite the logistical challenges posed by the COVID-19 pandemic.

Pricing & Financing: The Company employs an easy financing scheme well suited for its target market's needs dovetailed with a streamlined collection process and risk management policies. The Company provides competitive pricing that is readily affordable for its customers. The average equity of OviaLand's houses range between 5% to 10% of contract price compared to 20% for its competitors.

OviaLand has an established relationship with HDMF which allows faster loan processing times. OviaLand, together with its affiliates, has been consistently recognized and awarded by HDMF, with its most recent accolade being the #1 Top Developer in terms of loan value taken out in the South Luzon Branch for the 3rd Quarter 2022 and #8 Top Developer Nationwide for full year 2022. The Company's developments are also accredited with BDO and BPI for buyers who opt to buy their homes through bank financing.

The Company has developed a comprehensive collection platform comprising policies, structures, systems, organizations and mechanisms focused on collection efficiency and the mitigation of payment delinquency.

Property Management: OviaLand has a disciplined property management team to ensure that each of its projects remains prime and is always appreciating in value. The Company's property management team ensures that the property and the amenities are well maintained and that its customers' needs are responded to. The property management team provides initial support to each project's homebuyer's association to ensure a smooth turnover of the project. It aims to train and prepare the association to be self-sufficient and capable of maintaining the OviaLand Premier Family Living concept the projects are positioned for once units are turned-over.

Strong working relationships with key agencies that translate to efficient project execution and housing loan take-outs

The Company has been recognized by key government housing regulatory agencies for its contributions to the housing industry. Over the years, OviaLand has built an excellent reputation with the relevant local government units and government housing regulatory agencies and remains compliant with all the necessary permits and licenses to operate in the real estate industry. This recognition reflects the Company's good corporate governance and management that allows it to secure and comply with the necessary permits and licenses in a timely manner and ensure efficient project execution.

Housing development is regulated at the local and National Government levels. On both levels, OviaLand has adapted procedures to efficiently apply and coordinate for the processing and release of the relevant permits and licenses needed for housing development. With the Company's proven track record, it is able to assure local government housing boards and local officials of its expertise, community and house design, strong adherence to the national building code standards, and more importantly, that its communities will attract and increase commerce in their localities. The Company also ensures that all its projects are properly licensed and registered with the Department of Human Settlements and Urban Development ("DHSUD"), adhering to the department's strict implementation of compliance with development standards under B.P. 220 and/or P.D. 957 and the Balanced Housing Act R.A 7279.

OviaLand has been a consistent recipient of the HDMF South Luzon Top Developer award for its volume of processed loans. Over the years, OviaLand has established a strong working relationship with HDMF allowing it to offer fast loan processing and application for its customers. OviaLand belongs to a group of developers classified by HDMF as "Prime Developers". In 2022, only 156 out of 551 accredited developers of HDMF were accorded the Prime Developer status. Developers under such category are able to process housing loan take outs within 21-28 days vs non-prime developers which take around 5-6 months. The duration of the processing time differs because Prime Developers are allowed to take out with only an annotation on the title versus non-prime developers which need title transfer to the name of the borrower prior to take out. For 2021, OviaLand delivered 441 units achieving ₱833.00 million in revenues with such units all completed and taken out by various financing

institutions, with HDMF effectively comprising 100% of such take outs. For year 2022, the Company delivered and turned over 617 house and lot units achieving ₱1.37 Billion in net revenues, surpassing the ₱1.2 Billion target for the year with HDMF comprising 98% of loan take outs and 2% for bank financing and cash buyers

| | Full Year 2020 | | | Full Year 2021 | | | Full Year 2022 | | |
|-----------------------------|----------------|-----------------------------|---------------------|----------------|-----------------------------|---------------------|----------------|-----------------------------|---------------------|
| | # of Units | Loan Amount (₱ Millions) | TCP (₱ Millions) | # of Units | Loan Amount (₱ Millions) | TCP (₱ Millions) | # of Units | Loan Amount (₱ Millions) | TCP (₱ Millions) |
| Corporate wide Takeouts | - | 63,750 | - | - | 100,800 | - | 105,212 | 117,850 | |
| Southern Luzon Takeouts | 7,468 | 6,949 | - | 12,972 | 12,593 | - | 14,452 | 15,825 | |
| <i>Ovialand Performance</i> | | | | | | | 601 | 1,246 | 1,359 |
| HDMF Financing | 231 | 423.7 | 435.10 | 439 | 819.9 | 828.7 | 601 | 1,246 | 1,359 |
| Bank Financing | - | - | - | - | - | - | 3 | 6.9 | 7.6 |
| Cash Buyer | - | - | - | 2 | - | 4.4 | 13 | 25.7 | 29.4 |
| Total | 231 | 423.7 | 435.10 | 441 | 819.9 | 833.1 | 617 | 1,279 | 1,396 |

The state-run Home Development Mutual Fund (HDMF) was created in 1978 under Presidential Decree 1530 to address the need for a national savings program as well as provide Filipinos access to affordable shelter. Over the past decade, HDMF has been a fundamental institution in providing financing for Filipino home-buyers.

The Company enjoys certain tax incentives under Philippine Laws. Under the TRAIN Law, sale of residential dwellings priced up to ₱2.0 Million are exempt from VAT. In 2021, with the CREATE Act RA No. 11534 and BIR RR No. 08-2021 issued on June 11, 2021, the VAT exemption threshold was updated to ₱3,199,200. With this, almost all housing units currently offered by Ovialand are VAT-exempt, further making its house and lot units affordable. The Company's projects are also eligible for Income Tax Holiday under the BOI-IPP whether new projects or expansion projects. Caliya Phase 1 and Savana Phase 1 are currently registered with the BOI. The Company intends to continue the registration of all applicable future projects with the BOI as long as housing developments are included under the BOI-IPP accredited business activities for ITH.

Energetic, experienced, and agile management team attuned to the preferences of new generations of homebuyers

Ovialand takes pride in having highly reputable and seasoned management officers with comprehensive knowledge and in-depth understanding of the Philippine real estate business.

Ovialand's management team has extensive experience and in-depth knowledge of the real estate business. The founders are recognized leaders in the real estate industry with over 35 years in planning, launching and developing residential projects nationwide, and serving as directors in the Organization of Socialized and Economic Housing Developers of the Philippines, a DHSUD recognized housing developers' organization. The Company traces its roots to Malate Construction and Development Corporation ("MCDC"), its affiliate which was established in 1986 and has built over 30,000 residential units mainly as a socialized and low-cost housing developer. The Company has also strengthened its Board of Directors by bringing in recognized leaders from the housing and finance industry complementing the Company to establish a strong franchise as a mass-housing developer.

Management is spearheaded by the tandem of Marie Leonore Fatima V. Olivares-Vital, as Chief Executive Officer, and John Bryan A. Vital, as Chief Financial Officer. Both executives belong to a new generation of real estate industry leaders attuned to the needs and preferences of the emerging aspirational market. Together, they bring years of industry experience as well as the energy, agility, and innovativeness to spot and capitalize on opportunities in the real estate sector, especially as the market is increasingly being driven by young, aspirational customers. The team is conscious of the changing needs and the Preference to Premium of its customers and has successfully positioned its brand and designed its homes to cater to that distinct market.

The Company also invests in its human resources and ensures they are equipped with the necessary knowledge, skills, and technology to deliver Ovialand's brand of premium services.

CORPORATE HISTORY AND MILESTONES

| | |
|------|--|
| 2014 | The Company was incorporated in the Philippines. |
| 2017 | Commenced construction Sannera San Pablo Phase 1 in San Pablo City, Laguna. |
| 2018 | Completed delivery of 84 units in Sannera San Pablo Phase 1. Expansion of Sannera San Pablo with the land acquisition of Sannera Phase 2 covering an area of 5.0 hectares |
| 2019 | Commenced construction of Sannera San Pablo Phase 2 in San Pablo City, Laguna Completed delivery of 150 units in Sannera San Pablo Phase 1 and Phase 2. New 10.0-hectare land acquired in Candelaria Quezon for the project Caliya Candelaria. Commenced construction of Caliya Candelaria Phase 1 in Candelaria, Quezon. The SEC approved the increase in the Company's authorized capital stock from ₱200 million to ₱500 million. |
| 2020 | The Company posted a 21% sales growth rate year-on-year despite lockdowns and limitations brought about by the pandemic. |
| 2021 | The Company posted a 91% sales growth rate year-on-year. Commenced construction of Savana in San Pablo, Laguna. The Company achieved a 119% net income growth rate year-on-year. Launch of OviaLand Portal |
| 2022 | The SEC approved the increase in the Company's authorized capital stock from ₱500 million to ₱1 billion. Januarius Holdings Inc. increased its stake in the Company to 20%. The company applied for 1:2 stock split with change in PAR value from ₱1.00 to ₱0.50 on May 30, 2022 with the SEC. This was approved by the SEC on June 14, 2022. |

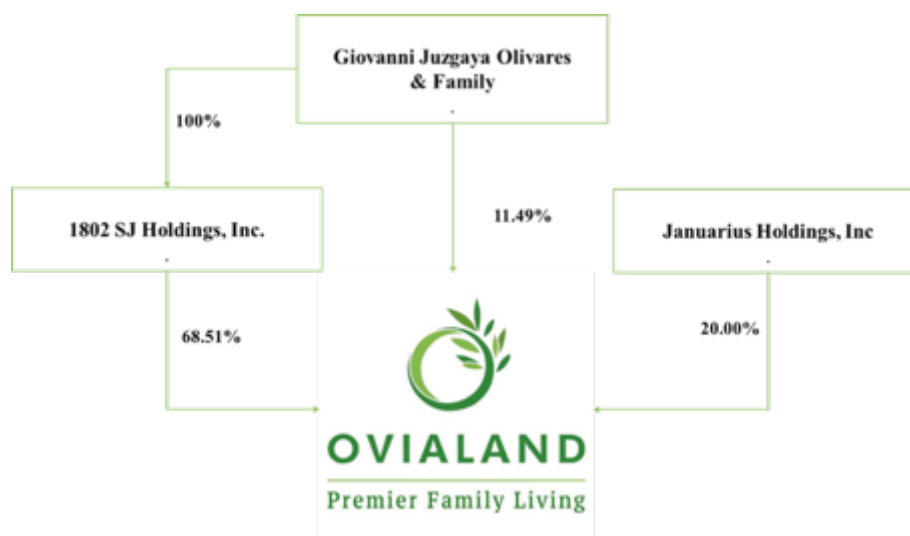
Awards and Recognition

OviaLand has been consistently awarded by HDMF as among the leading developers in Southern Luzon in terms of housing production and loans approved in the years since 2019 to 2022. In 2021, OviaLand, together with its affiliates, was awarded #3 highest approved home loans (in Pesos) in Southern Luzon and #14 nationwide in terms of loan value by HDMF to which OviaLand contributed 80% of the total volume for the group. In the latest 2022 3rd quarter awarding of HDMF, OviaLand, together with its affiliates was awarded #1 in HDMF Southern Luzon region in terms of loan value and is ranked #8 Nationwide for the full year 2022.

OviaLand was also awarded internationally as Asia's leading SME by ACES Awards last November 2022 in Kuala Lumpur, Malaysia in recognition of its enterprise leadership and organization-centric management prowess.

CORPORATE STRUCTURE

The chart below provides an overview of the ownership structure of the Company as of December 31, 2022.



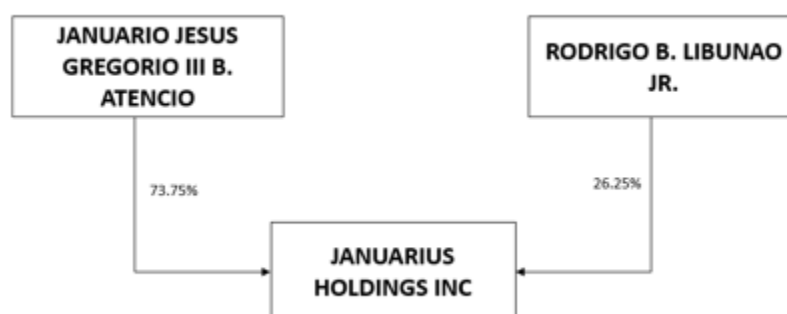
1802 SJ Holdings, Inc.

1802 SJ Holdings, Inc. is the holding company of Giovanni & Nanette Olivares. Together with their 7 children, the holding company was formed to unify ownership of its subsidiaries which are focused on real-estate development and real-estate ownership.

Januarius Holdings, Inc.

Januarius Holdings, Inc. (JHI) was established in 2008 as the private asset management and investment company of Januario Jesus Gregorio B. Atencio III. JHI's main focus is to manage personal assets of its founders worth over USD100 million, which are allocated across diversified investments in real estate, capital markets, private equity and finance, and non-traditional investments such as art.

The chart below provides an overview of the ownership structure of the Januarius Holdings Inc as of December 31, 2022.



BUSINESS OPERATIONS

Ovialand Developments

The Company's developments offer masterfully built premium affordable homes made of quality materials, located in safe and secure family-centered communities, with ample common spaces including manicured pocket gardens, outdoor play areas, swimming pools, and clubhouses.

1. Sannera



Sannera San Pablo offers a tropical Asian-inspired community at the heart of San Pablo City, Laguna. The 10.6 hectare prime property sits in lush greenery and is nestled at the foothills of Mt. Banahaw, Mt. Makiling, and the Sierra Madre Mountains. Phase 1 of the project has 349 units while Phase 2 has 404 units of which all units have been sold. The development offers a resort-like lifestyle to the community with 24-hour security, perimeter wall, landscaped roadways, wide open spaces, centralized water supply, sports facilities, and clubhouse. Phase 1 of the project commenced in 2017 while Phase 2 commenced construction in 2019 with both projects completed.

| Model Unit | Floor Area (sqm) | Price (₱) | Annual Sales and Turnover (₱) | | | |
|-------------------|------------------|-----------|-------------------------------|------------|------------|-------------|
| | | | 2022 | 2021 | 2020 | 2019 |
| Capri (Quad) | 50 | 1,800,000 | 12,900,000 | 29,236,071 | 96,038,407 | 56,261,178 |
| Aman Classic (SA) | 67 | 2,400,000 | 38,269,700 | 27,412,000 | 41,081,907 | 121,080,317 |
| Aman Luxe (SD) | 78 | 2,800,000 | 2,922,300 | 5,865,826 | 58,599,568 | 182,536,505 |

Sannera Phase 2

| Model Unit | Floor Area (sqm) | Price (₱) | Annual Sales and Turnover (₱) | | | |
|--------------------------------|------------------|-----------|-------------------------------|-------------|-------------|------|
| | | | 2022 | 2021 | 2020 | 2019 |
| Maldives (Duplex) | 69 | 2,600,000 | 122,265,020 | 28,943,745 | - | - |
| Bali Luxe (Townhouse End) | 54 | 2,180,000 | 16,711,800 | 77,683,047 | 64,063,239 | - |
| Bali Classic (Townhouse Inner) | 48 | 1,880,000 | 37,793,220 | 193,870,473 | 138,952,130 | - |

2. Caliya Phase 1



Located in Candelaria Quezon, Caliya is a 10.3 hectare master-planned residential community that offers contemporary homes. The development has 24-hour security, perimeter wall, landscaped roadways, wide open spaces, centralized water supply, playground, clubhouse, and a swimming pool. Phase 1 of the project consists of 591 homes of which 476 have been sold. The Company commenced construction in 2019 and is 82% completed with full completion targeted by Q4 2023. Phase 2 of the project consists of 316 units for startup in Q2 2023.

| Model Unit | Floor Area (sqm) | Price (₱) | Annual Sales and Turnover (₱) | | | |
|-----------------|------------------|-----------|-------------------------------|-------------|------------|-----------|
| | | | 2022 | 2021 | 2020 | 2019 |
| Townhouse Inner | 48 | 2,020,000 | 182,738,504 | 161,313,100 | 9,760,200 | 6,518,700 |
| Townhouse End | 49 | 2,300,000 | 48,311,948 | 57,146,200 | 5,188,700 | - |
| Duplex | 57 | 2,550,000 | 154,645,140 | 251,633,538 | 21,416,850 | - |

3. Savana Phase 1 and 2



Savana is a 6.8-hectare property located in San Pablo City, Laguna that offers house and lot units using the American inspired design. It's tagline "Southern beauty, modern living" was coined for its discerning market, 50% of which are clients out-migrating from the congested areas of Metro Manila. Its unique design has satisfied the market preference, providing picture perfect details. The development has 24-hour security, perimeter

wall, landscaped roadways, wide open spaces, centralized water supply, swimming pool and clubhouse. The initial project phase consists of 398 homes of which 384 have been sold while Phase 2 with 192 units will be launched by Q1 2023. Construction of Phase 1 commenced in 2021 and is currently 90% complete with target completion by Q2 2024.

| Model Unit | Floor Area (sqm) | Price (₱) | Annual Sales and Turnover (₱) | | | |
|---------------------------------|------------------|-----------|-------------------------------|------|------|------|
| | | | 2022 | 2021 | 2020 | 2019 |
| Mansion (Duplex) | 59 | 3,050,000 | 218,494,269 | - | - | - |
| Manor Luxe (Townhouse End) | 50 | 2,650,000 | 222,027,775 | - | - | - |
| Manor Classic (Townhouse Inner) | 49 | 2,350,000 | 324,700,000 | - | - | - |

4. Santevi Phase 1 & 2



Santevi is the third major development of Ovialand in San Pablo, Laguna. It is a 9.9 hectare property located along the National Highway. Accessibility is a huge selling point for this development, with Phase 1 and 2 having a total of 707 units. Phase 1 launched in the 3rd quarter of 2022 with a targeted completion by Q4 2024. Phase 2 will launch in the 4th quarter of 2023 and target completion by Q4

2025. As of January 31, 2023, the project is already at 53% land development completion and with 56 units completed and turned over.

| Model Unit | Floor Area (sqm) | Price (₱) |
|-----------------|------------------|-----------|
| Single Attached | 74 | 3,700,000 |
| Duplex | 66 | 3,400,000 |
| Townhouse End | 56 | 2,800,000 |
| Townhouse Inner | 55 | 2,600,000 |

5. Seriya



Seriya, located along Baliwag-Candaba Highway, is Ovialand's first foray into Bulacan and North of Metro Manila. The project is an 8.9-hectare development which features the Company's signature Classic American-inspired style townhouse and duplex units, and is expected to produce 735 house and lot units. Prices will range from ₱2.7 million to ₱3 million for townhouses and up to ₱4 million for duplex units. The property was acquired in Q3 2022 and development started on January 2023. The project is slated to launch by Q2 2023.

| Model Unit | Lot Area (sqm) | Floor Area (sqm) | Price (₱) |
|------------------|----------------|------------------|-----------|
| Duplex | 80 | 60 | 4,000,000 |
| Townhouse Corner | 60 | 50 | 3,150,000 |
| Townhouse | 50 | 50 | 2,850,000 |

Development Costs

In the past three years, the Company has spent 870.7M for 2022, 579.7M for 2021 and 354.5M for 2020 for its development activities which are 64%, 70% and 81% of revenue respectively.

Pipeline Projects

As of December 31, 2022, Ovialand has identified a total of six (6) projects in the pipeline that can generate up to 3,600 homes. 10.7 hectares have already been acquired and 34 hectares more are identified for acquisition.

Savana Phase 3

Savana Phase 3 is a 6.4 hectare expansion project of the current Phase 1 & 2. Phase 3 is expected to produce 512 house and lot units, following the same design of Phase 1 & 2. The new phase will offer townhouse units ranging from ₱2.35 million to ₱2.65 million and Duplex units starting at ₱3.1 million.

Savana Phase 3 is targeted to start by Q1 2024 with turnovers expected to start by Q3 2024.

Location Map



Unit Types

| Model Unit | Lot Area (sqm) | Floor Area (sqm) | Price (₱) |
|-------------------------------|----------------|------------------|-----------|
| Mansion (Duplex) | 68 | 59 | 3,050,000 |
| Manor Luxe (Townhouse Corner) | 60 | 50 | 2,650,000 |
| Manor Classic (Townhouse) | 49 | 49 | 2,350,000 |



**Manor Luxe
(Townhouse Corner)**

**Manor Classic
(Townhouse)**

**Mansion Classic
(Duplex)**

Santevi Phase 3

Santevi Phase 3 is a 3.9 hectare expansion project of Santevi. Phase 3 is expected to produce 309 house and lot units, following the same design of Phase 1 & 2. The new phase will offer townhouse units ranging from ₱2.6 million to ₱2.8 million and Duplex units starting at ₱3.1 million.

Santevi Phase 3 is for acquisition by Q4 2023 with land development activities slated to start by Q1 2024.

| Model Unit | Floor Area (sqm) | Price (₱) |
|-----------------|------------------|-----------|
| Single Attached | 74 | 3,700,000 |
| Duplex | 66 | 3,400,000 |
| Townhouse End | 56 | 2,800,000 |
| Townhouse Inner | 55 | 2,600,000 |

Seriya Phase 2

Seriya Phase 2 is a 13-hectare expansion project of Seriya. Phase 2 is expected to produce 1,040 house and lot units, following the same design of Phase 1. The new phase will offer townhouse units ranging from ₱2.9 million to ₱3.2 million and Duplex units starting at ₱4.0 million.

Seriya Phase 2 is for acquisition between Q3-Q4 2023 with land development activities slated to start by Q1 2024.

Location Map



Unit Types

| Model Unit | Lot Area (sqm) | Floor Area (sqm) | Price (₱) |
|------------------|----------------|------------------|-----------|
| Duplex | 80 | 60 | 4,000,000 |
| Townhouse Corner | 60 | 50 | 3,150,000 |
| Townhouse | 50 | 50 | 2,850,000 |



Caliya Phase 2

Caliya Phase 2 – 4 hectares – is an expansion of Ovialand's current project, Caliya Phase 1. Phase 2 is expected to add another 320 house and lot units with design improvements from the Phase 1 units. The project will offer townhouse units priced between ₱2.8 million to ₱3.1 million and Duplex units priced at ₱3.8 million.

Caliya Phase 2 will start on Q2 2023 with a target completion by Q4 2025.

Location Map



Unit Types

| Model Unit | Lot Area (sqm) | Floor Area (sqm) | Price (₱) |
|------------------|----------------|------------------|-----------|
| Duplex | 80 | 60 | 3,800,000 |
| Townhouse Corner | 61 | 50 | 2,800,000 |
| Townhouse | 50 | 50 | 3,100,000 |



| | | |
|--------|------------------|-----------|
| Duplex | Townhouse Corner | Townhouse |
|--------|------------------|-----------|

Barangay Malabanban Property, Candelaria, Quezon

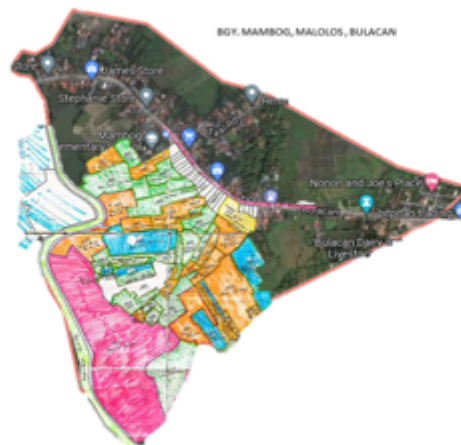
Ovialand acquired this 6.8 hectare property in 2020. The property located in Candelaria, Quezon and is situated along the National Highway which is highly accessible via public and private transport. It is situated right in the city center where it is surrounded by various convenient services such as the Malabanban School right beside the property, a mid-sized grocery with gasoline station also beside the property, right across is a newly built leisure hotel and a Waltermart that is only 300 meters away.

The property is slated for development starting Q1 2024 and will produce around 542 house and lot units with target to start turnover by Q4 2024.

Malolos / Pandi / Baliwag Bulacan Projects

With many infrastructure projects, developments, and buzzing commerce extending to Bulacan from Metro Manila, Ovialand sees Bulacan as a high growth and high demand region. The Company has already tagged various properties in Malolos and Pandi for its next Bulacan project projected to cover up to 2 projects of 10 hectares each. Target acquisition of the properties will be on Q1 and Q2 2024 and will be for immediate development.

Targeted Sites



Property in Malolos



Property in Pandi

Sales of Units

The Company recorded reservation sales of ₱1.4 Billion for the year 2022 and ₱1 billion during the twelve months ended December 31, 2021 vis a vis 2020's ₱544 million. The Company believes that it is on-track in the construction progress of its pipeline projects. This, coupled with its healthy inventory level, would help convert such reservations into duly recognized sales.

Average turnaround towards full income recognition is about three weeks. Reservations are converted to booked sales upon the buyer's loan take-out with HDMF or Bank.

Marketing and Sales

Ovialand primarily caters to the mid-cost housing segment. The Company targets an aspirational market that intends to purchase upscale homes within the price range of ₱2 million to ₱4 million.

Ovialand has a total network of 50 brokers and 600 sales agents. All of the Company's brokers and agents are guided by Ovialand's in-house team of property specialists who ensure buyers are well educated on their purchase and are qualified to avail of a loan. Together, they have continuously produced robust and increasing reservation sales.

The Company believes that it is a pioneer in digital / online marketing with online presence and online selling activities from the very beginning. This allowed potential clients to learn more about the developments despite coming from different areas of NCR. Through internet and social media marketing (Facebook ads, Google ads, YouTube videos), Ovialand is able to target clients from the comfort of their homes through the use of mobile devices with ease and at minimal cost. The Company's marketing team is quick to provide the latest information about the developments so that it can be seeded and posted on the various social media accounts of the Company.

At the start of the Covid-19 pandemic, Ovialand was able to continuously sell housing units through virtual tours and online meetings with the clients. This allowed the Company to recover to pre-pandemic sales levels only within 2 months since the pandemic began.

The Company also exerts efforts in training its accredited brokers and sellers to maximize the use of online selling

Customer Profile

Ovialand sees its homebuyers as intelligent, aspirational and hard-working. They are first time home buyers who dream of owning a home that they can be proud of in a community where they can thrive. Most of the Company's clients purchase the houses as single-family dwellings in contrast with multi-family dwellings which used to be a common practice of home buyers. Its clients' choices are also influenced by various global trends such as home organization, home improvements, and aspirational homes. The Company's target market is also more financially conscious with a longer-term investment horizon.

For the projects offered in 2022, buyers of the Company's housing units consisted of 26% Overseas Filipino professionals, 4% business owners, 8% home based work, and 62% locally employed professionals. Buyers for the period had, on average, a household monthly income range of ₱40,000.00 to ₱150,000.00. OviaLand markets its homes to the general public and does not depend on any specific sets of customers or sales contracts.

The following table describes the purpose for purchasing a house and lot from OviaLand:

| | |
|--------------------------------|-----|
| For Primary Home | 98% |
| For Investment, Secondary Home | 2% |

The following table summarizes the demographics of the Company's customers:

| Demographics | Description | % |
|--------------|---------------------------------|-----|
| Age: | 25 and below | 12% |
| | 26 to 35 Years Old | 49% |
| | 36 to 50 Years Old | 34% |
| | 50 Years old and Above | 5% |
| Education: | College Graduate | 95% |
| | Post-Graduate | 5% |
| Employment: | Locally Employed | 62% |
| | Home Based | 8% |
| | Business Owners/ self-employed | 4% |
| | OFWs-white collar/professionals | 26% |

Competition

The real estate house and lot industry has a wide range of product offerings for the home-buyer. Aside from the categories recognized by the industry (ranging from socialized to high-end market) the variety will also depend according to selling price, size of units, size of lots, finishing status, turn-over period, required down payment, financing options and over all development quality. Home-buyers across segments consider these elements when choosing their house and lot investment. Every developer crafts its own unique product, pricing strategy, turn-over period, availability of financing partners, house design, development layout, etc.

Thru its years of experience in the housing industry, OviaLand has carefully examined the various bottlenecks and pain points which home-buyers usually experience. From here, OviaLand created a unique product offering, paralleled with a business model that will give home-buyers an easy and hassle-free experience for their home-purchase.

Majority of real-estate developers offer house and lot units according to the housing categories set by the government classification, i.e., socialized, low-cost, mid-cost and high-end. Such classifications limit the products in terms of size, pricing and quality. While it may seem that other developers are offering an affordable option, home-buyers are left with bare units that will need more investment for it to become usable for the end-user. This results into more inconvenience for the home-buyer as he will have to source his own contractor, materials and permits in order to make his housing unit livable.

OviaLand's unique product offering is to create a "premium affordable" product that focuses on value-for-money options for the market. Homes that are turned-over complete and ready for use, without the need for additional renovations or upgrades. Aside from the use of pre-cast concrete, the overall execution of the build also contributes to this fast turnover of units. Proper management of highly skilled and competent people involved in the construction makes for the proper execution of the build. OviaLand has instituted strict quality control processes that will ensure that housing units for turn-over are according to the specifications and quality that has been committed to the client.

In the cities and municipalities of Laguna located along the fringe of Quezon province, developers are predominantly local based which are also mainly focused on socialized, economic and medium-cost housing projects. The national developers in the province are Amaia Land, Bria Homes, Camella, Lumina Homes and PHirst Park Homes. Most of the projects consist of row house and attached (i.e. duplex, triplex, quadruplex, etc.)

developments. The following data as of February 2023 are from the commissioned study done by Santos Knight Frank for Ovialand Inc.

Table 1. Major Developers in Laguna

| Developer | City/Municipality | Barangay |
|---|--------------------------|--|
| <i>Ovialand</i> | <i>San Pablo</i> | <i>Brgys. Soledad and San Antonio</i> |
| Lumina Homes | San Pablo | Brgy. Masiit |
| Lynville Land Development Corp. | San Pablo | Brgy. San Nicholas |
| Palmbeach Realty and Development Corporation | San Pablo | Brgy. Sta. Monica - Sta. Veronica Road |
| Amaia Land | San Pablo | Brgy. San Lucas |
| Bria Homes | San Pablo | Brgy. San Gregorio Bria Homes |
| Camella | San Pablo | Brgy. San Jose |
| N.G Developers | San Pablo | Brgy. San Miguel |
| Demeterland and Development Corp. | San Pablo | Brgy. San Jose |
| St. Felisse Realty and Development Corp. | San Pablo | Brgy. San Lucas |
| PHirst Park Homes Incorporated | San Pablo | Brgy. San Ignacio |
| Sta. Monica Industrial and Developmeent Corp. | San Pablo | Brgy. Sta. Monica |
| Camella | Bay | Brgy. Sto. Domingo |
| Calmar Land Development Corporation | Bay | Brgy. Puypuy |

Sourced by Santos Knight Frank, Inc. from respective developers as of February 2023

Aside from the quality of housing units upon turn-over, what is highly notable is Ovialand's model is the speed in turning-over the units to its clients. The current industry average for turn-over of units is 18-24 months, while Ovialand is able to turnover its units to its home-buyers within 3-6 months. This is a result of using the OLI-cast system of building its houses, as well as the Company's partnerships with Financing Institutions that allow its clients to loan up to 95% of the selling price. Ovialand's sales officers are highly trained to screen and educate their clients regarding their loan application to ensure that the home-buyer will achieve their targeted financing structure.

Table 2. Competitor Analysis in Laguna

| Developer | Structural Material | Construction Period | Turn-Over (months) | Hand-Over Condition | Flooring | Est. Units (Per Block) | Est. Minimum Size Per Block | Project Land Area and Number of Units | Buyers Profile |
|--|--------------------------|-----------------------------|--|-----------------------|---------------------------|------------------------|-----------------------------|---------------------------------------|---|
| <i>Ovialand Inc.</i> | <i>Pre-Cast Concrete</i> | <i>45 days (1.5 months)</i> | <i>3 to 6 months; (45-60 days for RFO Units)</i> | <i>Semi-Furnished</i> | <i>Wood Tiles</i> | <i>6-10 Units</i> | <i>1,000 sqm</i> | <i>13.9 Has: 1,975 Units</i> | <i>OFW, Locally Employed, Self-Employed, Home Based Employees</i> |
| PHirst Park Homes Inc. | Pre-Cast Concrete | 8 to 12 months | 12 months | Semi-Furnished | Vinyl Plank | 25-30 Units | 1,000 sqm | 18.5 Has :265 Units | OFW, Locally Employed |
| Palmbeach Realty and Development Corporation | Concrete Hollow Blocks | 6 to 8 months | 18 months | Semi-Furnished | Tiled, Vinyl Plank | 22 Units | 1, 452 sqm | 10 Has: 933 Units | OFW, Locally Employed |
| Lynville Land Development Corporation | Pre-fabricated Concrete | 5 to 6 months | 36 months | Bare | Tiled | 70 Units | 2, 520 sqm | 10.95 Has: 1,531 Units | OFW, Locally Employed |
| St. Felisse Realty and Development Corporation | Cast-In -Place Concrete | 6 to 8 months | 17 months | Semi-Furnished | Tiled | 20 Units | 1, 020 sqm | 8 Has: 269 Units | OFW, Locally Employed |
| Vista Land | Concrete Hollow Blocks | 7 to 9 months | 22-23 months | Semi-Furnished | Tiled, Laminated Linoleum | 40 Units | 3, 816 sqm | 7 Has: 361 Units | OFW, Locally Employed |
| Lumina | Concrete Hollow Blocks | 10 to 12 months | 12 months | Bare | Smooth cement | 54 Units | 2, 125 sqm | 15 Has: 444 Units | OFW, Locally Employed |
| Bria Homes Inc. | Concrete Hollow Blocks | 2 to 3 months | 3 to 5 months | Bare | Smooth cement | 30-40 Units | 1,296 sqm | 14 Has: 484 Units | OFW, Locally Employed |
| Amaia Land | Concrete Hollow Blocks | 6 months | 18 months | Bare | Smooth cement | 40 Units | 1,684 sqm | 22.2 Has: 529 Units | OFW, Locally Employed |
| Next Asia Land | Concrete Hollow Blocks | 4 to 5 months | 5 to 6 months | Semi-Furnished | Vinyl Plank | 70 Units | 5,356 sqm | 6.2 Has: 664 Units | OFW, Locally Employed |
| Demeterland and Development Corp. | Concrete Hollow Blocks | 6 to 8 months | 10 months | Semi-Furnished | Granite Tiles | 18 Units | 3,458 sqm | 2.4 Has:96 Units | OFW, Locally Employed |
| Carland Realty Development Corporation | Concrete Hollow Blocks | 8 to 10 months | 12 months | Semi-Furnished | Tiled | 37 Units | 2, 490 sqm | 4 Has: 463 Units | OFW, Locally Employed |
| Red Oak Properties Inc. | Concrete Hollow Blocks | 8 to 10 months | 12 months | Semi-Furnished | Tiled | 35-39 Units | 880 sqm | 18 Has: 344 Units | OFW, Locally Employed |
| Bella Vita Land Corporation | Cast-In -Place Concrete | 24 months | 36 months | Bare | Tiled | 130 Units | 10,000 sqm | 9.33 Has: 1,019 Units | OFW, Locally Employed |
| Jamaica Realty and Marketing Corp. | Concrete Hollow Blocks | 6 months | 36 months | Semi-Furnished | Granite Tiles | 36 Units | 6,697 sqm | 11 Has: 265 Units | OFW, Locally Employed |
| Sr. Sto. Niño de Cebu Resources & Development Corporation (SNRDC) | Concrete Hollow Blocks | 10 to 12 months | 13-14 months | Semi-Furnished | Tiled | 14 Units | 1,680 sqm | 2 Has :130 Units | OFW, Locally Employed |

Sourced by Santos Knight Frank, Inc. from respective developers as of February 2023

Developers in the province of Quezon are predominantly locally based which are mainly focused on socialized, economic and medium-cost housing projects. The national developers in the province are Amaia Land, Lumina Homes, Bellavita Land, Sta. Lucia Land and Vista Land. Most of the projects consist of row house and attached (i.e. duplex, triplex, quadruplex, etc.) developments. The lone exception is Sta. Lucia Land which only sells lots in its subdivision development.

Table 3. Major Developers in Quezon Province

| Developer | City/Municipality | Barangay |
|--|--------------------------|-------------------------------|
| <i>Ovialand</i> | <i>Candelaria</i> | <i>Brgy. Masin Sur</i> |
| D.J. Perez and Co., Inc. | Candelaria | Brgy. Bukal Sur |
| The New APEC Development Corp. | Candelaria | Brgy. Conception 1 |
| Calmar Land Development Corporation | Lucena | Brgy. Kanlurang Mayao |
| Goodluck Development Corp. | Lucena | Brgy. Domoit |
| Silver Creek Development | Lucena | Brgy. Ibabang Dupay |
| Amaia Land | Lucena | Brgy. Isabang |
| Tricity Realty and Development Corp. | Lucena | Brgy. Ilayang Dupay |
| Alps Ville Development Contractor | Lucena | Brgy. Ibabang Dupay |
| Lumina Homes | Tayabas | Brgy. Isabang |
| Welmanville Development Corporation | Tayabas | Brgy. Isabang |
| Sta. Lucia Realty and Development Inc. | Tayabas | Brgy. Isabang |
| Bellavita Land Corp. | Tayabas | Brgy. Isabang |
| Villa Czarina-GCBI | Tayabas | Brgy. Domoit |
| Vista Land | Tayabas | Brgy. Isabang |
| Calmar Land Development Corporation | Pagbilao | Brgy. Mayhay |
| Lumina Homes | Saraiya | Brgy. Sto. Cristo |
| The Saraiya 4J Development Corp. | Saraiya | Brgy. Sto. Cristo |
| The New APEC Development Corp. | Saraiya | Brgy. Conception |

Sourced by Santos Knight Frank, Inc. from respective developers as of February 2023

The competitive landscape in Quezon is similar to the aforementioned market in Laguna. Given the distance between the two trade areas, the markets are expected to be similar. This is the reason why the same developers can be found in both trade areas of Laguna and Quezon. They likewise offer the same unit configurations and target the same type of buyers.

Handover conditions of the house and lot units per type of development are similar to those in Laguna, as to be expected. The structural materials used for the construction house and lot units and their completion times are likewise similar.

Table 4. Competitor Analysis in Quezon

| Developer | Structural Material | Construction Period | Turn-Over (months) | Hand-Over Condition | Flooring | Est. Units Per Block | Est. Minimum Size Per Block (SQM) | Project Land Area and Number of Units | Buyers Profile |
|---|--------------------------|-----------------------------|---|-----------------------|------------------------------|----------------------|-----------------------------------|---------------------------------------|---|
| Ovialand Inc. | Pre-Cast Concrete | 45 days (1.5 months) | 3 to 6 months (45-60 days for RFO Units) | Semi-Furnished | Wood Tiles | 6-10 Units | 630 sqm | 9.7 Has:591 Units | OFW, Locally Employed, Self-Employed, Home Based Employees |
| PHirst Park Homes Inc. | Pre-Cast Concrete | 12 months | 24 months | Semi-Furnished | Vinyl Plank | 10 to 12 Units | 1,000 sqm | 23.4 Has: 220 Units | OFW, Locally Employed |
| The New APEC Homes | Cast-In -Place Concrete | 6 to 8 months | 18 months | Bare | Smooth cement | 25-35 Units | 1,275 sqm | 18.93 Has: 3,177 Units | OFW, Locally Employed |
| East Orient Properties Holdings, Inc. | Concrete Hollow Blocks | 6 to 8 months | 12 months | Semi-Furnished | Unglazed Ceramic Floor Tiles | 25-30 Units | 2, 880 sqm | 10 Has: 744 Units | OFW, Locally Employed |
| Lumina | Cast-In -Place Concrete | 12 months | 20 months | Bare | Smooth cement | 56-60 Units | 2, 125 sqm | 10 Has: 836 Units | OFW, Locally Employed |
| Calmar Land Development Corporation | Concrete Hollow Blocks | 4 to 6 months | 8 to 12 months | Semi-Furnished | Ceramic Tiles | 30-35 Units | 2, 100 sqm | 18 Has: 345 Units | OFW, Locally Employed |
| Amaia Land | Concrete Hollow Blocks | 6 months | 12-15 months | Bare | Smooth cement | 45-60 Units | 4,500 sqm | 8.3 Has: 80 Units | OFW, Locally Employed |
| Cotta Realty and Development Corporation | Concrete Hollow Blocks | 6 to 8 months | 15-17 months | Semi-Furnished | Granite Tiles | 20-25 Units | 1, 250 sqm | 8 Has: 350 Units | OFW, Locally Employed |
| Vista Land | Concrete Hollow Blocks | 7 to 9 months | 12-15 months | Semi-Furnished | Tiled Flooring | 35 Units | 2, 300 sqm | 25 Has: 2,048 Units | OFW, Locally Employed |
| Welmanville Development Corporation | Concrete Hollow Blocks | 3 to 5 months | 12 months | Bare | Smooth cement | 50-60 Units | 1, 230 sqm | 22 Has: 860U nits | OFW, Locally Employed |

Sourced by Santos Knight Frank, Inc. from respective developers as of February 2023

Developers in the province of Bulacan, in particular Baliwag, are a mix of local and national players. economic and medium-cost housing projects. The competing developers in the area are similar to those in Laguna and Quezon with the exception of Prominence Properties Inc. and Robinsons Homes. The noted national developers in the area are Lumina Homes, Vista Land and Robinsons Homes. They likewise have the same unit configurations and target the same type of buyers.

Table 5. Major Developers in Bulacan

| Developer | City/Municipality | Barangay |
|----------------------------|-------------------|--------------------|
| Vista Land | Baliwag | Brgy. Tangos |
| PHirst Park Homes | Baliwag | Brgy. Makinabang |
| Prominence Properties Inc. | Baliwag | Brgy. Pinagbarilan |
| Robinsons Homes | Baliwag | Brgy. Sta. Barbara |
| New APEC Homes | Baliwag | Brgy. Hinukay |
| Lumina Homes | Baliwag | Brgy. Tangos |

Sourced by Santos Knight Frank, Inc. from respective developers as of February 2023

Given that the developers in the area are the same we can expect that the structural materials used, finishing and handover conditions would be the same per developer. It can also be expected that the turnaround time from the downpayment to the handover of the units will also be similar.

The quick processing of housing loans for qualified applicants also speeds up the turnover time as the payment to the developer is delivered much sooner. This is made possible by the high appraisal values given to the units of Ovialand. This lessens the time for the bank or financing agency to assess and process the loan to be given. This is in line with their goal of providing their clients with instant homes through instant financing.

The high appraisal value also speaks of the quality of the units being turned over by Ovialand. The appraisal process can be considered a thorough evaluation of the unit's quality and a high appraisal value would directly translate into a unit's high quality.

From a price perspective of medium cost housing developments, Ovialand units provide value for money. Among its competitors, Ovialand units are priced in the lower end of the price range of developments while offering a high quality product together with more premium features and amenities.

Among the premium features being offered by Ovialand is a relatively low density neighborhood. Ovialand developments have a density of 6 to 10 housing units per 1,000 square meters of land. This allows them to provide more open spaces for the residents and a less congested environment. In comparison, their competitors have densities of 10 units and above per 1,000 square meters of land, which is typical of developments in the medium cost housing segment.

Location wise, most of Ovialand's developments are located along the main roads which are traversed by public transportation. This makes the developments highly accessible as well as offering easier access to its residents to key locations which offer the necessary goods and services. Though the developments are located along busy roads, the wider space gives enough separation and buffer to significantly reduce noise and disturbances coming from the busy road. This is part of Ovialand's dedication to providing their clients with a good home within a good neighborhood.

Another way that Ovialand shows how they value their clients is by providing exceptional customer service. They guarantee a response for all inquiries made to their customer care desk within 24 hours. In addition, the personalized service they provide aids in the easing the purchasing process by making sure that the required documents are properly prepared and efficiently handled for quick processing.

During handover of the units, a representative from Ovialand is present to go with the unit owner to do a quality control inspection and punch list to make sure that everything is properly turned over to the satisfaction of the new unit owner.

The competitive advantage of Ovialand can best be summarized in the table below.

| | Ovialand | Competitors |
|----------------------------------|--|--------------------|
| Delivery / Turnover Time of Unit | 3 to 6 months 45 to 60 days for RFO units | 6 months and above |

| | | |
|--|--|---|
| Selling Price (per sqm.) Pre-Selling Units Ready for Occupancy Units | PhP 39,600 PhP 46,200 | PhP 33,500 – PhP 72,900 PhP 39,000 – PhP 88,900 |
| Reservation Fee | PhP 7,000 | PhP 5,000 and above |
| Structural Material | Pre-Cast Concrete | Pre-Cast Concrete Concrete Cast-in-Place Concrete Hollow Blocks |
| Project Density (Number of Units / 1,000 sqm.) | 6 to 10 | 10 and above |
| Location of Projects | Directly accessible via main roads and public transport | Mostly located in inner areas |
| After Sales Service | Guaranteed reply from customer service within 24 hours of inquiry | None specified |

Contractors, Suppliers and Availability of Raw Materials

All of the raw materials used by the Company are sourced from domestic Philippine suppliers primarily from direct distributors or manufacturers located near its developments. Suppliers are chosen based on a number of criteria, including assessment of company background, accreditations, quality of materials, list of finished projects and past customers. The Company is not dependent on any single supplier.

Construction and housing projects are done in-house with supervision and quality control overseen by the Company's construction department.

Company's Top 5 Suppliers as of December 31,2022

| Suppliers Name | Product / Service Supplied | Length Of Service | % of Material Supplied to the Housing Material Component |
|-------------------------------|--------------------------------|---------------------|--|
| Magnificon Ready-Mix Concrete | Ready mix concrete | 1 Year and 6 Months | 17% |
| Teravera Corporation | Ready mix concrete | 5 Years | 17% |
| Winmil Industrial Sales Corp. | Steel products | 2 Year | 2% |
| Somico Steel Mill Corporation | Deform & steel products | 11 Months | 15% |
| Union Trading | General Construction Materials | 6 Years | 10% |

GOVERNMENT APPROVALS

All subdivision developments are required to obtain an ECC from the DENR, a Development Permit from the local government unit and must be registered and have a License to Sell by the Department of Human Settlement and Urban Development. The Company has established its Business Development Department which ensures that all its projects are duly licensed, registered and compliant with all concerned government agencies and regulations.

The following licenses and certification have been received by the company for its projects:

| Project Name | ECC | Development Permit | License to Sell/COR |
|-----------------------------------|----------------------|--------------------|---------------------|
| Sannera Phase 1, San Pablo Laguna | ECC-OL-R4A-2017-0295 | 2017-311 | No. 032250 |
| Sannera Phase 2, San Pablo Laguna | ECC-OL-R4A-2019-0346 | 2019-1257 | No. 034916 |
| Caliya Phase 1, | ECC-OL-R4A-2019-0708 | 0001 | No. 180 |

| | | | |
|--|--------------------------------|---------------------|--|
| Candelaria Quezon | | | |
| Savana Phase 1, San Pablo Laguna | ECC-OL-R4A-2021-0349 | 1152 s. 2021 | PD 957 – No. 554 BP 220 – No. 555 |
| Savana Phase 2, San Pablo Laguna* | ECC-OL-R4A-2023-0059 | 325 s. 2022 | On-going review by DHSUD |
| Santevi Phase 1, San Pablo Laguna | ECC-OL-R4A-2022-0256 | 1557 s. 2022 | No. 849 |
| Seriya, Baliwag Bulacan** | On-going review by DENR | S-68-23 | For Application |

*Savana Phase 2 has recently received approval of its DHSUD escrow mode of compliance for socialized housing. Upon deposit of the escrow amount and receipt of bank certification by DHSUD, DHSUD shall then issue the LTS-COR of the applied project.

**Seriya Baliwag has received its Development Permit approval from Baliwag City Government dated April 18, 2023. Application with DHSUD for the project's LTS-COR will commence immediately after.

The following pipeline projects are still under planning stages and have not started any licensing activities:

- Caliya Phase 2, Candelaria Quezon
- Santevi Phase 2, San Pablo Laguna
- Malabanban property, Candelaria Quezon

HEALTH, SAFETY AND ENVIRONMENT

The Company gives priority to occupational health and safety and it ensures compliance with applicable environmental laws and regulations and consider the promotion of health and safety measures and of appropriate programs as a mutual objective for management and employees at all levels.

Our Safety Officer department regularly reviews policies to do all that is reasonable to prevent personal injury and damage to property and to protect staff and the general public from foreseeable work hazards including environmental nuisances.

For the years 2020, 2021, and 2022, the Company spent ₱10,000, ₱0, and ₱5,000, respectively to comply with environmental laws and regulations. Other than the foregoing, the other costs related to compliance with environmental laws form part of the cost of real estate sales. In 2019, the Company committed to plant 10,000 trees in 10 years in partnership with the DENR. To date, it has planted 2,000 trees.

In response to the COVID-19 pandemic the Company has in place the following programs and policies:

- Creation and implementation of COVID19 Workplace Policy
- Provision for sanitation materials.
- On-site accommodation for employees.
- Provision for Flexible Work Arrangements
- 3 certified Occupational Safety and Health officers per site.

EMPLOYEES

As of [31 March 2023], the Company has 85 employees across its various offices in the Philippines.

The table below sets forth the breakdown of our manpower complement as of [31 March 2023]:

| Position | No. of Employees |
|-------------|------------------|
| Officer | 11 |
| Managers | 8 |
| Supervisors | 3 |

| | |
|---------------|----|
| Rank and file | 63 |
| TOTAL | 85 |

The Company expects to hire an additional [15] employees in the next 12 months to support our expansion plans. Employees are not subject to Collective Bargain Agreement (CBA) and no labor union has existed since the company's inception.

Aside from the mandatory benefits required by Philippine law, Ovialand provides its employees health insurance coverage (currently above industry standard), competitive compensation packages, and quarterly bonuses and incentives depending on quarterly performance.

The company has geared the organization to be a "learning organization", focusing on training and development across entry level positions to promote internal promotion and growth in the organization. This is one way that the Company is preparing itself for the growth plans it has, by ensuring that the organizational readiness is suited for the growth.

Construction workers ranging from foreman to skilled and labor workers are engaged by the Company under contract with Paramount Human Resources Cooperative. The Co-op manages 300 construction workers complete with DOLE registration, full statutory benefits, including added co-op membership benefits as provided by Paramount.

Significant Employees

While the Company values the contribution of each employee, it believes that there is no employee as of the date of this Prospectus that, the resignation or loss of whom, would have a material adverse impact on our business.

RESEARCH AND DEVELOPMENT

The Company undertakes research and development for its pre-cast construction technology. For fiscal years 2020, 2021 and 2022, the Company spent less than 0.5% per year for its research and development activities.

COMPANY SUBSIDIARIES AND BUSINESS DIVISIONS



The Company is currently focused only on residential real estate development and sales and has no subsidiaries or other business divisions.

INTELLECTUAL PROPERTY

Under the Intellectual Property Code of the Philippines, the rights to a trademark are acquired through the registration with the Bureau of Trademarks of the Intellectual Property Office, which is the principal government agency involved in the registration of brand names, trademarks, patents and other registrable intellectual property materials.

Upon registration, the Intellectual Property Office issues a certificate of registration to the owner of the mark, which shall confer the right to prevent all third parties not having the consent of the owner from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the mark is registered. The certificate of registration also serves as prima facie evidence of the validity of registration and the ownership of the mark of the registrant. A certificate of registration remains in force for an initial period of 10 years and may be renewed for periods of ten 10 years at its expiration.

Set out below is a list of our marks registered with the Philippine Intellectual Property Office:

| Brand Name/Mark | Nice Classification No. | Registration Number | Filing Date | Registration Date | Expiration Date |
|---|-------------------------|---------------------|--------------|-------------------|------------------|
|  | 37 | 4-2021-507972 | 5 April 2021 | 18 November 2021 | 18 November 2031 |
|  | 37 | 4-2022-00515274 | 22 June 2022 | IP Pending | IP Pending |

INSURANCE

The Company obtains and maintains adequate and comprehensive insurance coverage on our properties, assets and liability exposures pertaining to our business operations from reputable insurance companies. Its insurance coverage includes, but not limited to the following:

1. Contractors All Risk Insurance
2. MSP and Fidelity Guarantee
3. Performance bond
4. Equipment and vehicle insurance
5. Fire insurance

The Company believes that its insurance coverage is in accordance with its business exposure and in line with prevailing industry requirements.

CORPORATE SOCIAL RESPONSIBILITY

The Company currently provides 21 scholarships for students in Calamba. The program covers different educational levels for our scholars. As of December 31, 2022, a total of 3 scholars are at the Primary School Level, 8 Senior High School Level, and 10 at the Junior High School.

Beginning 2019, the Company pledged to plant 10,000 trees in 10 years. In 2019, it planted 1,000 trees in Candelaria, Quezon. Tree planting activities with the DENR were put on hold in 2020 due to the pandemic and resumed in 2021 with another 1,000 trees planted in San Pablo, Laguna and in Candelaria, Quezon.

In 2022, the Company constructed two (2) school buildings in the Masin Elementary School in Candelaria, Quezon. The company also owns the property of the Masin Elementary School which it intends to officially donate within 2023. The company also engaged in rehabilitation efforts and upgrading of classrooms in Barangay Soledad Elementary School, San Pablo City, Laguna. The company also donated Smart TV units to San Vicente Integrated High School, San Pablo City, Laguna to support their advanced teaching methods for a better learning experience. The company intends to continue school donations in areas where it is present.

The Company also implemented charitable initiatives engaging our employees where they gave essential goods to homeless people in their communities including partnering with the St. Martin de Pores Orphanage for the renovation of its Chapel located in San Pablo City, Laguna.

The Company also supports Filipino athletes by providing additional incentives for their achievements. Most recently, the Company awarded one (1) housing unit to 2020 Summer Olympics silver medalist Nesthy Petecio in recognition of her performance in the 2020 Summer Olympics.

INDUSTRY OVERVIEW

The information that appears in the executive summary of the independent market research report in this Industry Overview section, including all data (actual, estimates and forecasts) has been prepared by Santos Knight Frank, Inc. (“SKF”) and reflects estimates of market conditions based on publicly available sources and trade opinion surveys, and is prepared primarily as a market research tool. References to [●] should not be considered as the opinion of [●] as to the value of any security or the advisability of investing in the Company. The Directors believe that the sources of information contained in this Industry Overview are appropriate sources for such information and have taken reasonable care in reproducing such information. The Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading.

The information prepared by SKF and set out in this Industry Overview has not been independently verified by the Company, the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner and none of them gives any representations as to its accuracy and the information should not be relied upon in making, or refraining from making, any investment decision.

The report includes forecasts and other forward-looking estimates. These forward-looking statements are necessarily based on various assumptions and estimates that are inherently subject to various risks and uncertainties relating to possible invalidity of the underlying assumptions and estimates and possible changes or development of social, economic, business, industry, market, legal, government, and regulatory circumstances and conditions and actions taken or omitted to be taken by others. Actual results and future events could differ materially from such forecasts. You should not place undue reliance on such statements, or on the ability of any party to accurately predict future industry trends or performance.

The full Industry Overview prepared by SKF is attached herein as Annex “A”.

EXECUTIVE SUMMARY

The Philippines has been one of the fastest growing economies in Asia over the past several years. Consistent with the growth of the economy were the growth in OFW remittances and the IT-BPO industry. Both have been significant contributors in the overall increase of household income and the purchasing power of the local populace.

This additional income and purchasing power for some households has eventually found its way into the housing sector. It has been the goal of most families to acquire their own place to live in. This is one of the primary reasons why a number of Filipinos chose to work overseas as this provided them the opportunity and means earn a living that could afford them to buy these house and lot units for their family.

The IT-BPO industry likewise provided the opportunity for some of its employees to acquire their own housing units. IT-BPO companies have provided decent salaries to most of their employees that enabled them to save up for these purchases.

The preference for a number of families to acquire house and lot units have pushed them to acquire these units in areas outside of Metro Manila where these are more affordable. The improvements in transportation and infrastructure have improved the connectivity between these areas and Metro Manila. Travel time to and from these areas has been significantly shortened and the overall travel experience has become more convenient and less of a hassle.

Opportunities have likewise emerged in these residential communities outside of Metro Manila. Some of the IT-BPO companies have expanded their operations to the major cities outside of Metro Manila which are close to these residential communities. Opportunities for employment have risen and have allowed some individuals to work in these areas instead of in Metro Manila.

The natural economic growth of some of these areas were accelerated due to the improved connectivity provided by the new infrastructure projects. This has also contributed to the influx of investors and has also led some national developers to put up both commercial and residential developments in these areas to accommodate these investments.

Similarly, the emergence of new working arrangements such as the “work from home” and “hybrid” work arrangements have contributed to households exploring suburban living. Improvements in telecommunication and internet connectivity have made it possible for some businesses to thrive operating with their employees under a “work from home” or hybrid work arrangements.

These shifts in patterns has altered the need to have a place of residence in the metropolis for some families. What was once imperative is no longer for some and because of this there was perceived growth in suburban living. This has been proven by increased sales and new project launches by developers in the suburban and adjacent provinces to the metropolis.

These were the same opportunities that Ovialand capitalized on when it successfully launched its projects in Laguna and Quezon. Ovialand had solidly secured its place in the market by targeting the OFW market, those locally employed, self-employed and home based employees in the area. Its developments are topnotch in terms of the quality of units as well as its feature of having a low density neighborhood and providing more open space and other amenities. In addition, the housing units were delivered at the shortest time compared to the other developers. This is best illustrated in the following tables.

Competitor Analysis in Laguna

| Developer | Structural Material | Construction Period | Turn-Over (months) | Hand-Over Condition | Flooring | Est. Units (Per Block) | Est. Minimum Size Per Block | Project Land Area and Number of Units | Buyers Profile |
|--|--------------------------|-----------------------------|--|-----------------------|---------------------------|------------------------|-----------------------------|---------------------------------------|---|
| <i>Ovialand Inc.</i> | <i>Pre-Cast Concrete</i> | <i>45 days (1.5 months)</i> | <i>3 to 6 months; (45-60 days for RFO Units)</i> | <i>Semi-Furnished</i> | <i>Wood Tiles</i> | <i>6-10 Units</i> | <i>1,000 sqm</i> | <i>13.9 Has: 1,975 Units</i> | <i>OFW, Locally Employed, Self-Employed, Home Based Employees</i> |
| PHirst Park Homes Inc. | Pre-Cast Concrete | 8 to 12 months | 12 months | Semi-Furnished | Vinyl Plank | 25-30 Units | 1,000 sqm | 18.5 Has :265 Units | OFW, Locally Employed |
| Palmbeach Realty and Development Corporation | Concrete Hollow Blocks | 6 to 8 months | 18 months | Semi-Furnished | Tiled, Vinyl Plank | 22 Units | 1, 452 sqm | 10 Has: 933 Units | OFW, Locally Employed |
| Lynville Land Development Corporation | Pre-fabricated Concrete | 5 to 6 months | 36 months | Bare | Tiled | 70 Units | 2, 520 sqm | 10.95 Has: 1,531 Units | OFW, Locally Employed |
| St. Felisse Realty and Development Corporation | Cast-In -Place Concrete | 6 to 8 months | 17 months | Semi-Furnished | Tiled | 20 Units | 1, 020 sqm | 8 Has: 269 Units | OFW, Locally Employed |
| Vista Land | Concrete Hollow Blocks | 7 to 9 months | 22-23 months | Semi-Furnished | Tiled, Laminated Linoleum | 40 Units | 3, 816 sqm | 7 Has: 361 Units | OFW, Locally Employed |
| Lumina | Concrete Hollow Blocks | 10 to 12 months | 12 months | Bare | Smooth cement | 54 Units | 2, 125 sqm | 15 Has: 444 Units | OFW, Locally Employed |
| Bria Homes Inc. | Concrete Hollow Blocks | 2 to 3 months | 3 to 5 months | Bare | Smooth cement | 30-40 Units | 1,296 sqm | 14 Has: 484 Units | OFW, Locally Employed |
| Amaia Land | Concrete Hollow Blocks | 6 months | 18 months | Bare | Smooth cement | 40 Units | 1,684 sqm | 22.2 Has: 529 Units | OFW, Locally Employed |
| Next Asia Land | Concrete Hollow Blocks | 4 to 5 months | 5 to 6 months | Semi-Furnished | Vinyl Plank | 70 Units | 5,356 sqm | 6.2 Has: 664 Units | OFW, Locally Employed |
| Demeterland and Development Corp. | Concrete Hollow Blocks | 6 to 8 months | 10 months | Semi-Furnished | Granite Tiles | 18 Units | 3,458 sqm | 2.4 Has:96 Units | OFW, Locally Employed |
| Carland Realty Development Corporation | Concrete Hollow Blocks | 8 to 10 months | 12 months | Semi-Furnished | Tiled | 37 Units | 2, 490 sqm | 4 Has: 463 Units | OFW, Locally Employed |
| Red Oak Properties Inc. | Concrete Hollow Blocks | 8 to 10 months | 12 months | Semi-Furnished | Tiled | 35-39 Units | 880 sqm | 18 Has: 344 Units | OFW, Locally Employed |
| Bella Vita Land Corporation | Cast-In -Place Concrete | 24 months | 36 months | Bare | Tiled | 130 Units | 10,000 sqm | 9.33 Has: 1,019 Units | OFW, Locally Employed |
| Jamaica Realty and Marketing Corp. | Concrete Hollow Blocks | 6 months | 36 months | Semi-Furnished | Granite Tiles | 36 Units | 6,697 sqm | 11 Has: 265 Units | OFW, Locally Employed |
| Sr. Sto. Niño de Cebu Resources & Development Corporation (SNRDC) | Concrete Hollow Blocks | 10 to 12 months | 13-14 months | Semi-Furnished | Tiled | 14 Units | 1,680 sqm | 2 Has :130 Units | OFW, Locally Employed |

Sourced by Santos Knight Frank, Inc. from respective developers as of February 2023

Competitor Analysis in Quezon

| Developer | Structural Material | Construction Period | Turn-Over (months) | Hand-Over Condition | Flooring | Est. Units Per Block | Est. Minimum Size Per Block (SQM) | Project Land Area and Number of Units | Buyers Profile |
|--|--------------------------|-----------------------------|--|-----------------------|------------------------------|----------------------|-----------------------------------|---------------------------------------|---|
| <i>Ovialand Inc.</i> | <i>Pre-Cast Concrete</i> | <i>45 days (1.5 months)</i> | <i>3 to 6 months; (45-65 days) for RFO Units</i> | <i>Semi-Furnished</i> | <i>Wood Tiles</i> | <i>6-10 Units</i> | <i>630 sqm</i> | <i>9.7 Has:591 Units</i> | <i>OFW, Locally Employed, Self Employed, Home Based Employees</i> |
| PHirst Park Homes Inc. | Pre-Cast Concrete | 12 months | 24 months | Semi-Furnished | Vinyl Plank | 10 to 12 Units | 1,000 sqm | 23.4 Has: 220 Units | OFW, Locally Employed |
| The New APEC Homes | Cast-In -Place Concrete | 6 to 8 months | 18 months | Bare | Smooth cement | 25-35 Units | 1,275 sqm | 18.93 Has: 3,177 Units | OFW, Locally Employed |
| East Orient Properties Holdings, Inc. | Concrete Hollow Blocks | 6 to 8 months | 12 months | Semi-Furnished | Unglazed Ceramic Floor Tiles | 25-30 Units | 2, 880 sqm | 10 Has: 744 Units | OFW, Locally Employed |
| Lumina | Cast-In -Place Concrete | 12 months | 20 months | Bare | Smooth cement | 56-60 Units | 2, 125 sqm | 10 Has: 836 Units | OFW, Locally Employed |
| Calmar Land Development Corporation | Concrete Hollow Blocks | 4 to 6 months | 8 to 12 months | Semi-Furnished | Ceramic Tiles | 30-35 Units | 2, 100 sqm | 18 Has: 345 Units | OFW, Locally Employed |
| Amaia Land | Concrete Hollow Blocks | 6 months | 12-15 months | Bare | Smooth cement | 45-60 Units | 4,500 sqm | 8.3 Has: 80 Units | OFW, Locally Employed |
| Cotta Realty and Development Corporation | Concrete Hollow Blocks | 6 to 8 months | 15-17 months | Semi-Furnished | Granite Tiles | 20-25 Units | 1, 250 sqm | 8 Has: 350 Units | OFW, Locally Employed |
| Vista Land | Concrete Hollow Blocks | 7 to 9 months | 12-15 months | Semi-Furnished | Tiled Flooring | 35 Units | 2, 300 sqm | 25 Has: 2,048 Units | OFW, Locally Employed |
| Welmanville Development Corporation | Concrete Hollow Blocks | 3 to 5 months | 12 months | Bare | Smooth cement | 50-60 Units | 1, 230 sqm | 22 Has: 860U nits | OFW, Locally Employed |
| Sr. Sto. Nino De Cebu Resources & Development Corporation | Concrete Hollow Blocks | 10 to 12 months | 13-14 months | Bare | Smooth cement | 20-30 Units | 1, 300 sqm | 15 Has: 209 Units | OFW, Locally Employed |

Sourced by Santos Knight Frank, Inc. from respective developers as of February 2023

Medium Cost Housing Developer Competitor Analysis in Bulacan

| Developer | Reservation Fee (PhP) | Average Selling Price (PhP/sqm) | Downpayment | Financing | Duration of DP Payment |
|----------------------------|-----------------------|---------------------------------|-------------|---------------------------|------------------------|
| PHirst Park Homes Inc. | 12,500.00-20,000.00 | 58,900.00 | 10% | Bank, Pag- IBIG, In-House | 12 months |
| Prominence Properties Inc. | 20,000.00 | 65,120.00 | 20% | Bank, Pag- IBIG, In-House | 24 months |
| Vista Land | 20,000.00-30,000.00 | 60,120.00 | 15% | Bank, In-House | 12 months |

Source: Santos Knight Frank, Inc.

The opportunities for future housing developments abound as the housing backlog in the Philippines is still a long way from being solved. Figures from the Local Shelter Plan by Region released by the Department of Human Settlements and Urban Development (DHSUD) supports this claim as it shows a substantial backlog across all the regions of the Philippines in the table below.

Local Shelter Plan by Region as of May 2021

| Region | Total Housing Needs ^{a/} | Total Sector Families (ISFs) ^{b/} | Land Needed for Housing (in ha.) | Land Identified for Housing (in ha.) |
|--------------|-----------------------------------|--|----------------------------------|--------------------------------------|
| NCR | 696,592 | 255,116 | 23,287.8 | 24,631.9 |
| CAR | 129,443 | 135,663 | 1,419.0 | 1,102.5 |
| Region 1 | 280,005 | 157,215 | 2,103.3 | 4,070.6 |
| Region 2 | 236,848 | 102,661 | 1,208.0 | 15,423.0 |
| Region 3 | 25,123 | 4,942 | 191.0 | 70.0 |
| Region 4-A | 1,378,589 | 590,567 | 7,358.4 | 9,436.2 |
| Region 4-B | 171,957 | 108,137 | 1,187.7 | 1,207.4 |
| Region 5 | 451,649 | 359,201 | 3,634.0 | 6,976.2 |
| Region 6 | 495,268 | 346,810 | 3,766.4 | 11,228.5 |
| Region 7 | 558,396 | 260,731 | 2,086.3 | 3,506.1 |
| Region 8 | 486,999 | 420,901 | 2,928.8 | 3,689.7 |
| Region 9 | 173,299 | 106,008 | 2,028.2 | 1,215.5 |
| Region 10 | 268,996 | 153,698 | 1,596.1 | 6,665.1 |
| Region 11 | 427,641 | 227,868 | 2,422.2 | 5,204.5 |
| Region 12 | 215,127 | 218,568 | 1,316.6 | 3,155.9 |
| Region 13 | 295,447 | 139,712 | 1,806.9 | 2,252.4 |
| BARMM | 336,970 | 165,739 | 2,441.5 | 2,933.8 |
| Total | 6,628,349 | 3,753,537 | 60,782.2 | 102,769.3 |

a/ Includes homeless, displaced HHs, increase in HHs and doubled-up HHs

b/ Includes Tenurial Upgrading (need to improve land tenure status), homeless and displaced HHs; Some regions have higher number of total ISFs versus Total Housing Needs due to high number of units needing tenurial upgrading

Source: DHSUD - Public Housing and Settlements Service

The competitive advantage of Ovaland can best be summarized in the table below.

| | Ovaland | Competitors |
|--|---------|-------------|
|--|---------|-------------|

| | | |
|--|---|---|
| Delivery / Turnover Time of Unit | 3 to 6 months 45 to 60 days for RFO units | 6 months and above |
| Selling Price (per sqm.) Pre-Selling Units Ready for Occupancy Units | PhP 39,600 PhP 46,200 | PhP 33,500 – PhP 72,900 PhP 39,000 – PhP 88,900 |
| Reservation Fee | PhP 7,000 | PhP 5,000 and above |
| Structural Material | Pre-Cast Concrete | Pre-Cast Concrete Concrete Cast-in-Place Concrete Hollow Blocks |
| Project Density (Number of Units / 1,000 sqm.) | 6 to 10 | 10 and above |
| Location of Projects | Directly accessible via main roads and public transport | Mostly located in inner areas |
| After Sales Service | Guaranteed reply from customer service within 24 hours of inquiry | None specified |

Critical to the success in the expansion of OviaLand is the acquisition of strategically located and adequately sized property in order for them to maintain their competitive advantage. Their building process has been standardized and relatively easy to replicate as shown in their completed developments. These together with their strong marketing team and practices will guarantee their success in their ongoing and upcoming projects as well as their planned expansion to develop nationwide.

DESCRIPTION OF PROPERTY

LAND BANK

As an integral part of its real estate development business, the Company maintains an adequate land bank for its land development projects. As of December 31, 2022, the Company has acquired 42.6 hectares of land. The land bank is focused on areas in Southern Luzon and in Baliwag, Bulacan. The Company believes that with its current landbank it will be able to meet the requirements of the real estate business of the Company in the next 2 to 4 years.

Details of the Company's land inventory as of December 31, 2022 are set out in the table below:

| Location | Area (ha.) | Project | Target year of development | Book Value (₱ Mn) |
|-------------------------------------|------------|-------------------------------|----------------------------|-------------------|
| Masin Norte, Candelaria, Quezon | 10.3 | Caliya Candelaria Phase 1 & 2 | 2019-2025 | 180.8 |
| Soledad, San Pablo, Laguna | 4.7 | Savana Phase 1 | 2021-2023 | 61 |
| Soledad, San Pablo, Laguna | 2.1 | Savana Phase 2 | 2023-2024 | 24.2 |
| San Vicente, San Pablo City, Laguna | 9.9 | Santevi | 2022-2025 | 287.5 |
| Malabanban, Candelaria, Quezon | 6.7 | Silangil Property | 2024-2027 | 54.5 |
| Baliwag City, Bulacan | 8.9 | Seriya | 2023-2026 | 64.2 |
| Total | 42.6 | | | 672.2 |

OTHER REAL PROPERTY

The following table summarizes the various real estate properties owned by the Company not intended for sale as of [31 December 2022]:

| Location | Area (sq. m.) | Revenue | Condition (Encumbrances) | Status (Owned/Leased) | Expiration of Lease |
|--|---------------|---------|---|-----------------------|---------------------|
| Commercial Property – Caliya, Candelaria, Quezon | 6,724 sqm | NA | None | Owned | NA |
| Commercial Property – OLI Business Center, San Pablo, Laguna | 1,078 sqm | NA | Under mortgage for corporate working capital line | Owned | NA |
| Commercial Property – Santevi, San Pablo, Laguna | 949 sqm | NA | None | Owned | NA |
| Commercial Property – Savana, San Pablo, Laguna | 631 sqm | NA | Under mortgage for corporate working capital line | Owned | NA |

| | | | | | |
|---|------------|----|------|-----------------------------|------------------|
| Parkway Corporate Center - Alabang Muntinlupa City | 199 sqm | NA | NA | Lease at P350,000 per month | December 31,2027 |
| Property in Masin, Candelaria, Quezon | 5,000 sqm | NA | None | Owned [for future donation] | NA |
| Total | 14,581 sqm | | | | |

PLAN OF DISTRIBUTION

THE UNDERWRITER OF THE OFFER

Up to [396,000,000] Offer Shares shall be offered by the Company to investors, through the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner. At least [252,000,000] (or 70% of the Firm Shares) shall be offered by the Company to QIBs and to the general public. Up to [72,000,000] Offer Shares (or 20% of the Firm Shares) are being offered to all of the PSE Trading Participants. The remaining up to [36,000,000] Offer Shares (or 10% of the Firm Shares) are being offered to LSIs in the Philippines.

The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as agreed between the Company, the Selling Shareholders and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. Prior to the closing of the Offer, any Offer Shares not taken up by the QIBs, PSE Trading Participants and the LSIs shall be subscribed and/or distributed by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner to its clients or the general public in the Philippines. In the event that there are Offer Shares that remain unsubscribed at the end of the Offer, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner will underwrite on a firm commitment basis, the Firm Shares, subject to any reallocation, clawback, clawforward or any other such mechanisms as described below, and pursuant to the terms of the Underwriting Agreement by and among the Company, the Selling Shareholders and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner.

The Offer Shares shall be lodged with the PDTC and shall be issued to the investors in scripless form. Investors may maintain ownership over the Offer Shares in scripless form or opt to have the stock certificates in the relevant investor's name after the Listing Date by requesting an upliftment of the relevant Offer Shares from the PDTC's electronic system.

Underwriting Commitment

To facilitate the Offer, the Company has appointed SB Capital Investment Corporation as the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, to engage in underwriting and distribution of the Offer Shares. The Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner shall enter into an Underwriting Agreement to be dated on or about [●] (the "Underwriting Agreement"), whereby the Underwriter agrees to underwrite the Offer on a firm commitment basis.

The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner will underwrite, on a firm commitment basis, the Firm Shares.

There is no arrangement for the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner to return any of the Offer Shares relating to the Trading Participants and Retail Offer or the Institutional Offer to the Company or the Selling Shareholders.

The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner is authorized to organize a syndicate of underwriters, soliciting dealers and/or lead selling agents for the purpose of the Offer. In connection with the foregoing, the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner may enter into agreements, participation agreements, or like agreements with other co-lead managers and managers and/or lead selling agents, as necessary. There is nothing in such agreements that allow the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner to return to the Company any unsold Institutional Offer Shares and Trading Participants and Retail Offer Shares.

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner shall receive from the Company a fee equivalent to [3.16]% of the gross proceeds of the Offer, inclusive of the amounts to be paid to the PSE Trading Participants. The underwriting fees shall be withheld by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner from the proceeds of the Offer. PSE Trading Participants who take up Offer Shares shall be entitled to a selling fee of 1% of the Offer Shares taken up and purchased by the relevant PSE Trading Participant. The selling fee, less the applicable withholding tax, will be paid by the Company through the Receiving Agent to the PSE Trading Participants within ten (10) Banking Days of the Listing Date.

All of the Trading Participants and Retail Offer Shares are or shall be lodged with the PDTC and shall be issued to the PSE Trading Participants and LSIs in scripless form. Purchasers of the Trading Participants and Retail Offer Shares may maintain the Trading Participants and Retail Offer Shares in scripless form or opt to have the stock certificates issued to them by requesting an upliftment of the relevant Trading Participants and Retail Offer Shares from the PDTC's electronic system after the Listing Date.

THE SOLE ISSUE MANAGER, LEAD UNDERWRITER, AND SOLE BOOKRUNNER

SB Capital Investment Corporation

SB Capital is a Philippine corporation organized in October 1995 as a wholly-owned subsidiary of Security Bank Corporation. It obtained its license to operate as an investment house in 1996 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. As of September 30, 2022, its total assets amounted to ₱1,601,493,849.00 and its capital base amounted to ₱391,608,552.00. It has an authorized capital stock of ₱1,000,000,000 of which approximately ₱1,000,000,000 represents its paid-up capital. SB Capital provides a wide range of investment banking services including underwriting of debt and equity securities, project finance, financial advisory, privatizations, mergers and acquisitions, loan syndications and corporate advisory services. SB Capital is also involved in equity trading through its wholly-owned stock brokerage subsidiary, SB Equities, Inc. Its senior executives have extensive experience in the capital markets and were involved in a lead role in a substantial number of major equity and debt issues.

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner and its affiliates may have engaged in transactions with, and have performed various investment banking, commercial banking and other services for the Company and its affiliates in the past, and may do so for the Company and its affiliates from time to time in the future. However, all services provided by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, including in connection with the Offer, have been provided as an independent contractor and not as a fiduciary to the Company. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner does not have any right to designate or nominate a member of the Board. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner has no direct relationship with the Company in terms of share ownership and, other than as Sole Issue Manager, Lead Underwriter and Sole Bookrunner for the Offer, does not have any material relationship with the Company.

THE INSTITUTIONAL OFFER

Approximately 70% of the Firm Shares, or [252,000,000] Offer Shares, will be offered for subscription or purchase to certain QIBs and the general public in the Philippines by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner.

The allocation of the Offer Shares between the Institutional Offer and the Trading Participants and Retail Offer is subject to further adjustment as may be agreed upon between the Company and the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Offer Shares in the Institutional Offer may be re-allocated to the Trading Participants and Retail Offer. In the event of an under-application in the Trading Participants and Retail Offer, the Offer Shares in the Trading Participants and LSIs may be re-allocated to the Institutional Offer. The re-allocation shall not apply in the event of an over-application or under-application in both the Institutional Offer and the Trading Participants and Retail Offer.

TRADING PARTICIPANTS AND RETAIL OFFER

Pursuant to the rules of the PSE, the Company will make available up to [72,000,000] Offer Shares comprising 20% of the Firm Shares for distribution to PSE Trading Participants. The total number of Offer Shares allocated to the PSE Trading Participants will be distributed following the procedures indicated in the implementing guidelines for the Offer Shares to be announced in the PSE EDGE by the PSE. Each PSE Trading Participant will be allocated a total of [870,000] Offer Shares. The balance of [120,000] Offer Shares will be allocated by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner among the PSE Trading Participants.

PSE Trading Participants who take up the Offer Shares shall be entitled to a selling fee of [1.0]% of the Offer Shares taken up and purchased by the relevant trading participant. The selling fee, less a withholding tax of 15%, will be paid to the PSE Trading Participants within ten (10) Banking Days after the Listing Date.

The balance of the Offer Shares allocated but not taken up by the PSE Trading Participants will be distributed by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner to its clients or to the general public.

A total of up to [36,000,000] Offer Shares, or 10% of the Firm Shares, shall be made available to Local Small Investors. Local Small Investors is defined as a subscriber to the Offer who is willing to subscribe to a minimum board lot or whose subscription does not exceed ₱[100,000]. In the case of the Offer, the minimum subscription of LSIs shall be [●] shares or up to [●], while the maximum subscription shall be [●] or up to [●]. There will be no discount on the Offer Price. Should

the total demand for the Offer Shares in the LSI program exceed the maximum allocation, the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner shall allocate the Offer Shares by ensuring equitable distribution by satisfying first the applications of investors with the smallest orders.

The balance of the Offer Shares allocated but not taken up by the Local Small Investors will be distributed by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner to its clients or to the general public.

Firm Shares not taken up by the QIBs, the PSE Trading Participants, the LSIs, the general public and the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner's clients shall be purchased by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner on a firm commitment basis pursuant to the terms and conditions of the Underwriting Agreement. Nothing herein or in the Underwriting Agreement shall limit the rights of the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner from purchasing the Offer Shares for its own account.

Subscription Procedures

On or before [●] the PSE Trading Participants shall submit to the Receiving Agent their respective firm orders and commitments to purchase Offer Shares. On or before [●], the PSE Trading Participants shall submit their applications to purchase the Offer Shares evidenced by a duly accomplished and completed application form, together with the applicable supporting documents and payment. Firm Shares not taken up by the PSE Trading Participants will be distributed by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner directly to its clients and the general public and whatever remains will be purchased by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner.

LSI Subscription through PSE EASy

A total of up to [36,000,000] Firm Shares, or 10% of the Firm Shares, shall be made available nationwide to LSIs through the PSE Electronic Allocation System or "PSE EASy." An LSI is defined as a subscriber to the Offer who is willing to subscribe to a minimum board lot or whose subscription does not exceed ₱[●]. In the case of this Offer, the minimum subscription of LSIs shall be [●] Offer Shares or ₱[●], while the maximum subscription shall be [●] Offer Shares or up to ₱[●]. There will be no discount on the Offer Price. The procedure in subscribing to Offer Shares via PSE EASy is indicated in the Company's Implementing Guidelines for Local Small Investors to be announced through the PSE EDGE website. Should the total demand for the Offer Shares in the LSI program exceed the maximum allocation, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner shall prioritize subscriptions of LSIs with amounts lower than the maximum subscription.

All Firm Shares not taken up by the QIBs, the PSE Trading Participants, the LSIs, the general public and Sole Issue Manager, Lead Underwriter, and Sole Bookrunner's clients shall be purchased by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner on a firm commitment basis pursuant to the terms and conditions of the Underwriting Agreement. Nothing herein or in the Underwriting Agreement shall limit the right of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner from purchasing the Offer Shares for its own account.

Lodgment of Shares

All of the Offer Shares are or shall be lodged with the PDTC and shall be issued to the PSE Trading Participants and LSIs in scripless form. They may maintain the Offer Shares in scripless form or opt to have the stock certificates issued to them by requesting an upliftment of the relevant Offer Shares from the PDTC's electronic system after the Listing Date.

THE OVER-ALLOTMENT OPTION

In connection with the Offer, subject to the approval of the SEC, the Selling Shareholders have granted the Stabilizing Agent an Over-allotment Option, exercisable in whole or in part to purchase up to an additional [36,000,000] Option Shares at the Offer Price and on the same terms and conditions as the Firm Shares, as set forth herein, from time to time for a period which shall not exceed thirty (30) calendar days from and including the Listing Date. In connection therewith, the Selling Shareholders have entered into a Greenshoe Agreement with the Stabilizing Agent to utilize up to an additional [36,000,000] Option Shares to cover over-allocations under the Institutional Offer. Out of the up to [36,000,000] Option shares, up to [28,800,000] shares will be coming from 1802 SJ Holdings and up to [7,200,000] shares will be coming from Januarius Holdings Inc.

Any Shares that may be delivered to the Stabilizing Agent under the Greenshoe Agreement will be re-delivered to the Selling Shareholders either through the purchase of Shares in the open market by the Stabilizing Agent in the conduct of stabilization activities or through the exercise of the Over-allotment Option by the Stabilizing Agent. The Option Shares

may be over-allotted and the Stabilizing Agent may effect price stabilization transactions for a period beginning on or after the Listing Date, but extending no later than thirty (30) calendar days from and including the Listing Date. The Stabilizing Agent may purchase Shares in the open market only if the market price of the Shares falls below the Offer Price. The initial stabilization action shall be at a price below the Offer Price. After the initial stabilization action, (i) if there has not been an independent trade (i.e., a trade made by a person other than the Stabilizing Agent for itself or on behalf of its clients) in the market at a higher price than the initial stabilization trade, the subsequent trade shall be below the initial stabilization price, or (ii) if there has been an independent trade in the market at a higher price than the initial stabilization trade, the subsequent trade shall be at the lower of the stabilizing action price or the independent trade price.

Such activities may stabilize, maintain or otherwise affect the market price of the Common Shares, which may have the effect of preventing a decline in the market price of the Common Shares and may also cause the price of the Common Shares to be higher than the price that otherwise would exist in the open market in the absence of these transactions. If the Stabilizing Agent commences any of these transactions (which would include thereafter disposing of or selling the Common Shares purchased), it may discontinue them at any time. However, the Stabilizing Agent or any person acting on behalf of the Stabilizing Agent has the sole discretion whether to undertake stabilization activities, and there is no assurance that the same will be undertaken. There is also no assurance that the price of the Common Shares will not decline significantly after any such stabilizing activities end.

Once the Over-allotment Option has been fully exercised by the Stabilizing Agent, it will no longer be allowed to purchase Shares in the open market for the conduct of stabilization activities and the Stabilizing Agent will remit the proceeds from the exercise of the Over-allotment Option to the Selling Shareholders. To the extent the Over-allotment Option is not fully exercised by the Stabilizing Agent, the same shall be deemed cancelled and the relevant Option Shares shall be re-delivered to the Selling Shareholders and shall remain part of the issued and outstanding shares of the Company.

SELLING RESTRICTIONS

The distribution of this Prospectus or any offering material and the offer, sale or delivery of the Offer Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Prospectus or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Prospectus may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

No securities, except for a class exempt under Section 9 of the SRC or unless sold in any transaction exempt under Section 10 thereof, shall be sold or distributed by any person within the Philippines, unless such securities shall have been registered with the SEC on Form 12-1 and the registration statement has been declared effective by the SEC.

REGULATORY COMPLIANCE

The Company holds various permits and licenses for permits for the opening and continued operations of its real estate business. These material permits include but are not limited to, the following:

- Certificate of Incorporation issued by the SEC together with the Certificate of Filing Amended Articles of Incorporation.
- Business permits issued by local government units.
- DHSUD/HLURB Certifications
- License to Sell
- Environmental Compliance Certificates

The following table is a summary of the material permits and licenses of the Company:

General Permits

| Permits / License | Issuing Agency | Permit No. | Issue Date | Expiry Date |
|------------------------------|---|----------------|----------------|-------------|
| Certificate of Incorporation | SEC | CS201409614 | 5 / 21 / 2014 | Perpetual |
| Certificate of Registration | BIR | 9RC0000413054 | 8 / 11 / 2014 | Perpetual |
| Business Permit (2023) | BPLO - Municipal | 2023-0004010 | 1 / 18 / 2023 | Quarterly |
| Employer Data Form | HDMF | 2051-6358-0007 | 10 / 17 / 2014 | Perpetual |
| Certificate of Registration | Social Security System | 03-94773339-9 | 9 / 1 / 2014 | Perpetual |
| Certificate of Registration | Philippine Health Insurance Corporation | 00-101000328-3 | 10 / 14 / 2014 | Perpetual |
| Business Permit (2023) | BPLO - City | 23-00090 | 01 / 04 / 2023 | Perpetual |

Material Permits and Licenses for the Real Estate Business

Development Permits

| Company | Branch | Project | Issue Date |
|-----------------------|------------------------|---|------------|
| Ovialand Incorporated | San Pablo City, Laguna | SAVANA | 08/19/2021 |
| Ovialand Incorporated | San Pablo City, Laguna | SANNERA PHASE 1 (Formerly Terraza de San Pablo) | 03/27/2017 |
| Ovialand Incorporated | San Pablo City, Laguna | SANNERA SAN PABLO PHASE 2 | 03/14/2019 |
| Ovialand Incorporated | San Pablo City, Laguna | SANNERA SAN PABLO PHASE 2 | 06/20/2019 |
| Ovialand Incorporated | Candelaria, Quezon | CALIYA CANDELARIA | 12/16/2019 |

| | | | |
|-----------------------|------------------------|----------|------------|
| Ovialand Incorporated | San Pablo City, Laguna | SANTEVI | 04/21/2022 |
| Ovialand Incorporated | San Pablo City, Laguna | SAVANA 2 | 11/21/2022 |
| Ovialand Incorporated | Baliwag, Bulacan | SERIYA | 4/18/2023 |

HLURB Certifications

| Company | Branch | Project | Issue Date |
|-----------------------|----------------------|---------------------------|------------|
| Ovialand Incorporated | Calamba City, Laguna | SANNERA SAN PABLO PHASE 1 | 10/09/2017 |
| Ovialand Incorporated | Calamba City, Laguna | SANNERA SAN PABLO PHASE 2 | 09/13/2019 |
| Ovialand Incorporated | Calamba City, Laguna | CALIYA CANDELARIA | 11/04/2020 |
| Ovialand Incorporated | Calamba City, Laguna | SAVANA - PD957 | 10/20/2021 |
| Ovialand Incorporated | Calamba City, Laguna | SAVANA - BP220 | 10/20/2021 |
| Ovialand Incorporated | Calamba City, Laguna | SANTEVI | 09/20/2022 |

License to Sell

| Company | Branch | Project | LTS # | Issue Date |
|-----------------------|----------------------|---------------------------|--------|------------|
| Ovialand Incorporated | Calamba City, Laguna | SANNERA SAN PABLO PHASE 1 | 032250 | 09/09/2017 |
| Ovialand Incorporated | Calamba City, Laguna | SANNERA SAN PABLO PHASE 2 | 034916 | 09/13/2019 |
| Ovialand Incorporated | Calamba City, Laguna | CALIYA CANDELARIA | 180 | 11/04/2020 |
| Ovialand Incorporated | Calamba City, Laguna | SAVANA - PD957 | 554 | 10/20/2021 |
| Ovialand Incorporated | Calamba City, Laguna | SAVANA - BP220 | 555 | 0/20/2021 |
| Ovialand Incorporated | Calamba City, Laguna | SANTEVI | 849 | 09/30/2022 |

MATERIAL CONTRACTS

It has been the policy of the Company to confine its contracts only to those pertaining to the normal course of its business. Hence, the following are the contracts being entered into by the Company in the ordinary course of its business:

- Contracts with suppliers of construction materials for the Company’s projects;
- Contract to Sell with its buyers;
- Deeds of Absolute Sale of housing units with its buyers; and
- Collateralized Lines of Credit and Term Loan Agreements with Banks as additional funding to the Company’s development costs

The company has also entered into Joint Venture Agreements and Memorandums of Agreement with the following:

| Parties | Date of Execution | Purpose of the Contract |
|--|-------------------|---|
| 1. Joint Venture Agreement with Januarius Holdings, Inc. | December 18, 2018 | Development of parcels of land located in San Pablo, Laguna into a subdivision |
| 2. Joint Venture Agreement with El Coco Grande Realty and Development Corp. | May 3, 2019 | Development of parcels of land located in Candelaria, Quezon into a subdivision |
| 3. Memorandum of Agreement with Kyushu Yaesu Co. Ltd., Ambitious Urban Development Philippines Inc., Malate Construction and Development Corporation | August 2019 | Provision of KY Group (composed of Kyushu Yaesu Co. Ltd. and Ambitious Urban Development Philippines Inc.) of consultancy services to MCDC Group (composed of Ovialand Inc. and Malate Construction and Development Corporation) for the development project called Ovia Candelaria Phase 1 and 2 located in Candelaria, Quezon |
| 4. Memorandum of Agreement with El Coco Grande Realty and Development Corp. | November 17, 2021 | Investment of El Coco Grande Realty and Development Corp. for the purpose of financing Ovialand’s development project Savana located in San Pablo, Laguna. As of March 31, 2023, there is an outstanding loan from El Coco Grande realty and Development Corp. in the amount of Php33.33 million payable in monthly installments. Under the agreement, in the event of payment default, the lenders may, at their sole option convert the outstanding balance of debt into shares of Ovialand. |
| 5. Memorandum of Agreement with Kyushu Yaesu Co. Ltd., Ambitious Urban Development Philippines Inc., Malate Construction and Development Corporation | August 2021 | Investment of the KY Group (composed of Kyushu Yaesu Co. Ltd. and Ambitious Urban Development Philippines Inc.) for the purpose of financing the development project Santevi located in San Pablo, Laguna As of March 31, 2023, there is an outstanding loan from Kyushu Yaesu Co. Ltd. and Ambitious Urban Development Philippines, Inc. in the amount of Php156,000,000 payable in 34 monthly installments. Under the agreement, in the event of payment default of at least three (3) |

| | | |
|--|-----------------|--|
| | | months, the lenders may, at their sole option convert the outstanding balance of debt into shares of Ovialand. |
| 6. Joint Venture Agreement with Januarius Holdings, Inc. | August 12, 2022 | Development of parcels of land located in Baliuag, Bulacan into a subdivision |

The Company has not entered into the following contracts within the last two years from the date of this Prospectus, to wit:

- Any contract to which the directors, officers, promoters voting trustees, security holders named in the registration statement or report, or underwriters are parties, other than contracts involving only the purchase or sale of current assets having a determinable market price, such as market price;
- Any contract upon which the Company's business is substantially dependent, as in the case of continuing contracts to sell the major part of registrant's requirements of goods, services or raw materials or any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which Company's business depends to a material extent;
- Any contract calling for the acquisition or sale of any property, plant or equipment for a consideration exceeding fifteen percent (15%) of such fixed assets of the Company on a consolidated basis;
- Any material lease under which a part of the property described in the registration statement or report is held by the Company;
- Except for the following enumerated options, any management contract or any compensatory plan, agreement or arrangement, including but not limited to plans relating to options, warrants or rights, pensions, retirement or deferred compensation or bonus, incentive or profit sharing in which any director or any of the named executive officers of the Company is a party to.

REGULATORY AND ENVIRONMENTAL MATTERS

The following description is a summary of certain sector specific laws and regulations in the Philippines which are applicable to the Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice or a detailed review of the relevant laws and regulations.

GENERAL BUSINESS REGULATORY FRAMEWORK

Revised Corporation Code

Republic Act No. 11232, also known as the Revised Corporation Code (the “**Revised Corporation Code**”), was signed into law on February 20, 2019 and took effect on February 23, 2019. Among the salient features of the Revised Corporation Code are:

- Corporations are granted perpetual existence, unless the articles of incorporation provide otherwise. Perpetual existence shall also benefit corporations whose certificates of incorporation were issued before the effectivity of the Revised Corporation Code, unless a corporation, upon a vote of majority of the stockholders of the outstanding capital stock notifies the Philippine SEC that it elects to retain its specific corporate term under its current Articles of Incorporation.
- A corporation vested with public interest must submit to its shareholders and to the Philippine SEC an annual report of the total compensation of each of its directors or trustees, and a director or trustee appraisal or performance report and the standards or criteria used to assess each director, or trustee.
- Corporations vested with public interest must have at least 20.0% independent directors in the Board, in accordance with the Securities and Regulation Code.
- The Revised Corporation Code allows the creation of a “One Person Corporation”. However, it expressly prohibits public and publicly-listed companies, among others, from being incorporated as such. This restriction also applies with respect to incorporations as a Close Corporation.
- Material contracts between corporations vested with public interests and their own directors, trustees, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity must be approved by at least two-thirds (2/3) of the entire membership of the Board, with at least a majority of the independent directors voting to approve the same.
- The right of stockholders to vote in the election of directors or trustees, or in shareholders meetings, may now be done through remote communication or in absentia if authorized by the corporate by-laws. However, as to corporations vested with public interest, these votes are deemed available, even if not expressly stated in the corporate by-laws. The shareholders who participate through remote communication or in absentia are deemed present for purposes of quorum. When attendance, participation and voting are allowed by remote communication or in absentia, the notice of meetings to the stockholders must state the requirements and procedures to be followed when a stockholder or member elects either option.
- As to the filing of the by-laws and any amendments made to the by-laws of any corporation governed by special laws, the Revised Corporation Code requires that a prior certificate of the appropriate government agency to the effect that such bylaws or amendments are in accordance with law, must be submitted.
- A favorable recommendation by the appropriate government agency is likewise required for corporations governed by special laws, before the Philippine SEC approves any merger or consolidation; or any voluntary dissolution.
- In case of transfer of shares of listed companies, the Philippine SEC may require that these corporations whose securities are traded in trading markets and which can reasonably demonstrate their capability to do so, to issue their securities or shares of stock in uncertificated or scripless form in accordance with the Rules of the Philippine SEC.

The Revised Corporation Code refers to the Philippine Competition Act in case of covered transactions under said law

involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the Philippine Competition Act thresholds.

Bayanihan Laws

In the midst of the COVID-19 pandemic, Congress enacted Republic Act No. 11469 or the *Bayanihan* to Heal as One Act (“**Bayanihan I**”), which took effect on March 25, 2020, and which granted President Duterte the power to provide for a minimum of thirty (30)-days grace period on the payment of residential rents falling due during the ECQ. In relation thereto, the Department of Trade and Industry (“**DTI**”) issued Memorandum Circular No. 20-12, which provided that residential rents and commercial rents for Micro, Small and medium Enterprises (“**MSMEs**”) that have stopped operating during the ECQ shall be entitled to the said grace period. The cumulative amount of rental fees due during this period shall be spread out or equally amortized in the six (6) months following the end of the ECQ and shall be added to the rent due on these succeeding months, without penalties, interest, fees, and charges.

The *Bayanihan* to Heal as One Act also provided the President the power to direct financial institutions, including the HDMF, to implement a grace period for the payment of housing loans, among others. The implementing rules provide that the mandatory grace period should be at least thirty (30) days, which is automatically extended if the ECQ period is extended.

On September 11, 2020, the President Duterte signed into law the *Bayanihan* to Recover as One Act, which is also known as “**Bayanihan II**”, which extends the emergency powers of the President granted by its predecessor, *Bayanihan I*, which lapsed on June 25, 2020. *Bayanihan II* aims to reduce the adverse impact of COVID-19 on the socioeconomic well-being of Filipinos and struggling businesses by providing assistance and other forms of socioeconomic and regulatory relief.

Section 4 of the *Bayanihan II* authorizes the President to exercise powers necessary and proper to undertake and implement the following recovery measures (among others): (a) direct banks, financing companies, lending companies, real estate developers, entities providing in-house financing, other financial institutions, private or public, among others, to implement a one-time sixty (60)-day grace period for the payment of all existing, current and outstanding loans falling due or any part thereof, on or before December 31, 2020; (b) direct institutions providing electric, water, telecommunications, and other similar utilities to implement a minimum of 30-day grace period for the payment of utilities falling due within the period of ECQ, MECQ, without incurring interests, penalties, and other charges; (c) grant a minimum of 30-day grace period on residential rents and commercial rents of lessees not permitted to work, and MSMEs and cooperatives ordered to temporarily cease operations within the period of the community quarantine, without incurring interests, penalties, fees and other charges; and (d) prohibit increasing rents during this period.

Foreign Investments Act of 1991

The Foreign Investments Act provides that certain activities are nationalized or partly nationalized, such that the operation and/or ownership thereof are wholly or partially reserved for Filipinos. Under these regulations, and in accordance with the Philippine Constitution, ownership of private lands is partly nationalized and thus, landholding companies may only have a maximum of 40% foreign equity.

On May 20, 2013, the Philippine SEC issued Memorandum Circular No. 8, Series of 2013, which provided the Guidelines on compliance with the Filipino-Foreign ownership requirements under the Philippine Constitution and other existing laws by corporations engaged in nationalized or partly nationalized activities. The Guidelines provide that for purposes of determining compliance with the foreign equity restrictions in nationalized corporations, the required percentage of Filipino ownership shall be applied to both (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors. The continuing validity of this Memorandum Circular was affirmed by the Supreme Court in the 2016 case of *Jose M. Roy v. Teresita Herbosa, et. al* (G.R. No. 207246, November 22, 2016).

For the purpose of complying with nationality laws, the term “**Philippine National**” is defined under the Foreign Investments Act as any of the following:

- a citizen of the Philippines;
- a domestic partnership or association wholly owned by citizens of the Philippines;
- a corporation organized under the laws of the Philippines of which at least 60.0% of the capital stock outstanding

and entitled to vote is owned and held by citizens of the Philippines;

- a corporation organized abroad and registered to do business in the Philippines under the Revised Corporation Code of the Philippines, of which 100.0% of the capital stock outstanding and entitled to vote is wholly owned by Filipinos; or
- a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60.0% of the fund will accrue to the benefit of Philippine Nationals.

For as long as the percentage of Filipino ownership of the capital stock of the corporation is at least 60.0% of the total shares outstanding and voting, the corporation shall be considered as a 100.0% Filipino-owned corporation. A corporation with more than 40.0% foreign equity may be allowed to lease private land for a period of 25 years, renewable for another 25 years.

Data Privacy Act of 2012

Republic Act No. 10173, otherwise known as the Data Privacy Act (the “**Data Privacy Act**”), protects all forms of information, be it private, personal, or sensitive. It applies to any natural or juridical persons involved in processing of information (which refers to any operation or any set of operations performed upon personal data including, but not limited to, the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure or destruction of data), whether in the government or private sector, and whether in or outside the Philippines.

The law defines “personal information” as any information whether recorded in a material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual. On the other hand, sensitive personal information refers to personal information:

- (a) About an individual’s race, ethnic origin, marital status, age, colour, and religious, philosophical or political affiliations;
- (b) About an individual’s health, education, genetic or sexual life or a person, or to any proceeding for any offence committed or alleged to have been committed by such person, the disposal of such proceedings, or the sentence of any court in such proceedings;
- (c) Issued by government agencies peculiar to an individual which includes, but not limited to, social security numbers, previous or current health records, licenses or its denials, suspension or revocation, and tax returns; and
- (d) Specifically established by an executive order or an act of the Philippine Congress to be kept classified.

In general, the processing of sensitive personal information and privileged information is prohibited except where: (1) the data subject has given his or her consent, specific to the purpose prior to the processing, or in the case of privileged information, all parties to the exchange have given their consent prior to processing; (2) the processing is provided for by existing laws and regulations; (3) the processing is necessary to protect the life and health of the data subject or another person, and the data subject is not able to give consent; (4) the processing is carried out for limited non-commercial purposes by public organizations and their associations; (5) the processing is necessary for purposes of medical treatment, is carried out by a medical practitioner or a medical treatment institution, and an adequate level of protection of personal information is ensured; or (6) the processing is necessary for court proceedings or legal claims, or is provided to the government or a public authority.

Under the Data Privacy Act, the appointment of a Data Protection Officer (“**DPO**”) is a legal requirement for all personal information controllers (“**PICs**”) and personal information processors (“**PIPs**”). The DPO is accountable for ensuring the Company’s compliance with all data privacy and security laws and regulations.

A PIC may be a natural or juridical person who exercises control over the processing of personal data and furnishes instructions to another person or entity to process personal data on its behalf. A PIP on the other hand, refers to a person or body instructed or outsourced by a PIC to engage in the processing of the personal data of a data subject.

The PIC or PIP that employs fewer than 250 persons shall not be required to register unless the processing it carries out is likely to pose a risk to the rights and freedoms of data subjects, the processing is not occasional, or the processing includes

sensitive personal information of at least 1,000 individuals.

REGULATIONS RELATING TO THE REAL ESTATE BUSINESS

Land Ownership Regulations

The Philippine Constitution and related statutes set forth restrictions on foreign ownership of owning land in the Philippines. Article XII, Section 7 of the Philippine Constitution, in relation to Article XII, Section 2 of the Philippine Constitution, states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60 percent of whose capital is owned by such citizens.

Real Estate Development in the Philippines

Presidential Decree No. 957, otherwise known as the Subdivision and Condominium Buyers Protective Decree (“**P.D. 957**”), and Batas Pambansa Blg. 220, as amended, are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision.

P.D. 957 and B.P. 220 cover subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes, and condominium projects for residential or commercial purposes. The HLURB is the administrative agency of the Government which, together with local government units (“**LGUs**”), enforces these decrees and has jurisdiction to regulate the real estate trade and business.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are subject to approval by the pertinent LGU of the area in which the project is situated. The development of subdivision and condominium projects can commence only after the LGU has issued the development permit.

The issuance of a development permit is dependent on, among others (i) compliance with required project standards and technical requirements which may differ depending on the nature of the project, and (ii) issuance of the barangay clearance, the HLURB locational clearance, DENR permits, and DAR, as applicable, conversion or exemption orders as discussed below.

Further, all subdivision plans and condominium project plans are required to be filed with and approved by the HLURB. Approval of such plans is conditional on, among other things, the developer’s financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the HLURB and the written conformity or consent of the duly organized homeowners’ association, or in the absence of the latter, by the majority of the lot buyers in the subdivision. Owners of, or dealers in, real estate projects are required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Dealers, brokers and salesmen are also required to register with the HLURB. Project permits and licenses to sell may be suspended, cancelled or revoked by the HLURB by itself or upon complaint from an interested party for reasons such as insolvency or violation of any of the provisions of P.D. 957. A license or permit to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HLURB’s rules of procedure and other applicable laws.

Subdivision or condominium units may be sold or offered for sale only after a license to sell has been issued by the HLURB. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction and maintenance of the roads, gutters, drainage, sewerage, water system, lighting systems, and full development of the subdivision or condominium project and compliance by the owner or dealer with the applicable laws and regulations.

Subdivision Projects

There are essentially two different types of residential subdivision developments, which are distinguished by different development standards issued by the HLURB. The first type of subdivision, aimed at low-cost housing, must comply with B.P. 220, which allows for a higher density of building and relaxes some construction standards. Other subdivisions must comply with P.D. 957, which sets out standards for lower density developments. Both types of development must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electrical supply, lot sizes, the length of the housing blocks and house construction.

Under current regulations, a developer of a residential subdivision with an area of one hectare or more and covered by P.D. 957 is required to reserve at least 30% of the gross land area of such subdivision, which shall be non-saleable, for open space for common uses, which include roads and recreational facilities. A developer of a subdivision is required to reserve at least 3.5% of the gross project area for parks and playgrounds.

Republic Act No. 7279, otherwise known as the Urban Development and Housing Act, as amended, further requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 15% of the total subdivision area or total subdivision project cost, at the option of the developer, within the same city or municipality, whenever feasible, and in accordance with the standards set by the HLURB and other existing laws. To comply with this requirement, the developers may choose to develop for socialized housing an area equal to 15% of the total area of the main subdivision project or allocate and invest an amount equal to 15% of the main subdivision total project cost, which shall include the cost of the land and its development as well as the cost of housing structures therein, in development of a new settlement through purchase of socialized housing bonds, slum upgrading, participation in a community mortgage program, the undertaking of joint-venture projects and the building of a large socialized housing project to build a credit balance.

Under the current Investment Priorities Plan issued by the Board of Investments, mass housing projects are eligible for government incentives subject to certain policies and guidelines.

Department of Human Settlements and Urban Development Act

Republic Act No. 11201, otherwise known as “Department of Human Settlements and Urban Development Act” was signed by the President on February 14, 2019. The Implementing Rules and Regulations of the Act was approved on July 19, 2019. This Act created the Department of Human Settlements and Urban Development (“**DHSUD**”) through the consolidation of the Housing and Urban Development Coordinating Council (“**HUDCC**”) and the Housing and Land Use Regulatory Board (“**HLURB**”), simultaneously with the reconstitution of HLURB into Human Settlement Adjudication Commission (“**HSAC**”). The functions of the HUDCC and the planning and regulatory functions of HLURB shall be transferred to and consolidated in the DHSUD, while the HSAC shall assume and continue to perform the adjudication functions of HLURB.

The DHSUD shall:

1. Act as the primary national government entity responsible for the management of housing, human settlement and urban development;
2. Be the sole and main planning and policy-making, regulatory, program, coordination, and performance monitoring entity for all housing, human settlement and urban development concerns, primarily focusing on the access to an affordability of basic human needs. The following functions of HLURB are transferred to DHSUD:
 - a. The land use planning and monitoring function, including the imposition of penalties for noncompliance to ensure that LGUs will follow the planning guidelines and implement their CLUPs and ZOs;
 - b. The regulatory function, including the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums and similar real estate developments, and imposition of fines and other administrative sanctions for violations, pursuant to PD 957, as amended, BP 220 and other related laws; and
 - c. The registration, regulation and supervision of Homeowners Associations, including the imposition of fines for violations, pursuant to RA 9904, Section 26 of RA 8763 in relation to Executive Order No. (EO) 535, series of 1979, and other related laws; and
 - d. The adjudicatory mandate of the HLURB.
3. Develop and adopt a national strategy to immediately address the provision of adequate and affordable housing to all Filipinos, and ensure the alignment of the policies, programs, and projects of all its attached agencies to facilitate the achievement of this objective.

All existing policies, and rules and regulations of the HUDCC and the HLURB shall continue to remain in full force and effect unless subsequently revoked, modified or amended by the DHSUD or the HSAC, as the case may be.

All applications for permits, licenses and other issuances pending upon the effectivity of the Act and filed during the transition period shall continue to be acted upon by the incumbents until transition shall have been completed. cases and appeals pending with the HLURB shall continue to be acted upon by the HLURB Arbiters and the Board of Commissioners, respectively, until transition shall have been completed and the Commission's operations are in place. Thereafter, the Regional Adjudicators and the Commission shall correspondingly assume jurisdiction over those cases and appeals. All decisions of the Commission shall thenceforth be appealable to the Court of Appeals under Rule 43 of the Rules of Court.

The transition period shall commence upon the effectivity of the Implementing Rules and Regulations and shall end on December 31, 2019. Thereafter, the Act shall be in full force and effect.

Real Estate Sales on Installments

The provisions of the Maceda Law apply to all transactions or contracts involving the sale or financing of real estate on instalment payments (including residential condominium units but excluding industrial lots and commercial buildings and sales to tenants under RA 3844). Under the provisions of the Maceda Law, where a buyer of real estate has paid at least two (2) years of instalments, the buyer is entitled to the following rights in case of a default in the payment of succeeding instalments:

- To pay, without additional interest, the unpaid instalments due within the total grace period earned by him, which is fixed at the rate of one month for every one year of instalment payments made. However, this right may be exercised by the buyer only once every five (5) years during the term of the contract and its extensions, if any.
- If the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to 50% of the total payments made, and in cases where five (5) years of instalments have been paid, an additional 5% every year (but with a total not to exceed 90% of the total payments). However, the actual cancellation of the contract shall take place after thirty (30) days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act and upon full payment of the cash surrender value to the buyer.

The computation of the total number of installment payments made includes down payments, deposits, or options on the contract.

In the event that the buyer has paid less than two (2) years of installments, the seller shall give the buyer a grace period of not less than 60 days from the date the installment became due. If the buyer fails to pay the installments due at the expiration of the grace period, the seller may cancel the contract after 30 days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act.

Notably, the buyer has the right to sell or assign his or her rights to another person or to reinstate the contract by updating the account during the grace period and before actual cancellation of the contract. The deed of sale or assignment shall be done by notarial act.

Local Government Code

Republic Act No. 7160, as amended, otherwise known as the Local Government Code establishes the system and powers of provincial, city, municipal, and barangay governments in the country. The Local Government Code general welfare clause states that every LGU shall exercise the powers expressly granted, those necessarily implied, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare.

LGUs exercise police power through their respective legislative bodies. Specifically, the LGU, through its legislative body, has the authority to enact such ordinances as it may deem necessary and proper for sanitation and safety, the furtherance of the prosperity, and the promotion of the morality, peace, good order, comfort, convenience, and general welfare of the locality and its inhabitants. Ordinances can reclassify land, order the closure of business establishments, and require permits and licenses from businesses operating within the territorial jurisdiction of the LGU.

An ordinance may be repealed by a subsequent ordinance expressly repealing or declaring it as invalid. An ordinance may also be repealed by implication by a subsequent ordinance that is inconsistent or contrary, in whole or in part, to the previous ordinance. Under the LGC, the Sangguniang Panlalawigan (provincial council) has the power to review ordinances passed by a component city council and can declare ordinances invalid, in whole or in part, if it finds that the lower council exceeded its authority in enacting the ordinance.

Anti-Money Laundering Act

On January 29, 2021, Republic Act No. 11521 was enacted, amending certain provisions of Republic Act No. 9150, otherwise known as the Anti-Money Laundering Act (“**AMLA**”). The necessary changes were likewise incorporated in the 2018 Implementing Rules and Regulations through the Anti-Money Laundering Council’s (“**AMLC**”) Regulatory Issuance A, B, and C No.1 Series of 2021, which took effect on January 31, 2021. In particular, Republic Act No. 11521 revised the list of “Covered Persons” under the AMLA to include real estate brokers and developers. As such, real estate brokers and developers are now required to submit a covered transaction report involving any single cash transaction exceeding ₱7,500,000.00 or its equivalent in any other currency.

Further, Republic Act No. 11521 provides the following suspicious transactions with Covered Persons, regardless of the amounts involved, where any of the following circumstances exist:

1. There is no underlying legal or trade obligation, purpose or economic justification;
2. The client is not properly identified;
3. The amount involved is not commensurate with the business or financial capacity of the client;
4. Taking into account all known circumstances, it may be perceived that the client’s transaction is structured in order to avoid being the subject of reporting requirements under the Act;
5. Any circumstance relating to the transaction which is observed to deviate from the profile of the client and/or the client’s past transactions with the covered person;
6. The transaction is in any way related to an unlawful activity or offense under this Act that is about to be, is being or has been committed; or
7. Any transaction that is similar or analogous to any of the foregoing.

Under the AMLA, Covered Persons shall subject covered transaction and suspicious transaction reports to the AMLC, and shall identify and record the true identity of their customers, whether permanent or occasional, and whether natural or juridical persons, or legal arrangements based on official documents. To comply with this, such Covered Persons are obligated to implement appropriate systems of collecting and recording identification information and identification documents, and shall implement and maintain a system of verifying the true identity of their clients, including validating the truthfulness of the information and confirming the authenticity of the identification documents presented, submitted, and provided by the customer, using reliable and independent sources, documents, data, or information. All records of transactions and records of closed accounts are required to be maintained and stored for five years from the date of a transaction or after their closure, respectively.

ZONING AND LAND USE

Land use may be also limited by zoning ordinances enacted by LGUs. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant LGU. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after June 15, 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

PHILIPPINE FINANCIAL REPORTING STANDARDS

On August 15, 2017, the Commission approved the adoption of the Philippine Financial Reporting Standards (PFRS) No. 15, *Revenue from Contracts with Customers*, effective for annual reporting periods beginning on or after January 1, 2018, as part of its financial reporting rules. PFRS No. 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle is that an entity recognizes revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

On January 31, 2018 and June 27, 2018, respectively, the Philippine Interpretation Committee (PIC) issued PIC Q&A 2018-12-H, *Accounting for Common Usage Area Service (CUSA) Charges*, and PIC Q&A 2018-14, *Accounting for Cancellation of Real Estate Sales*.

PIC Q&A 2018-12-H (Accounting for Common Usage Area Service (CUSA) Charges) discussed whether the real estate developer acts as a principal or customer in goods and services that it delivers based on contract of lease with the tenants. Based on the contract of lease, the real estate developer bills and charges the tenant for electricity, water, air conditioning, and common use service area (CUSA) expenses every month. The real estate developer may shut off all utilities to the premises occupied by the tenant/customer at any time if they have failed to pay the outstanding bills due to the real estate developer.

If a contract with a customer includes more than one specified good or service, an entity could be a principal for some specified goods or services and an agent for others. In this case, the real estate developer, being the assigned administrator of the building, is the agent who coordinates with utility companies to ensure that tenants have access to utilities. For common use service area (CUSA) expenses and air conditioning charges, the real estate developer is the principal and the party responsible to provide the necessary services to the CUSA and to provide proper ventilation and air conditioning to the leased premises.

On the other hand, PIC Q&A 2018-14 (Accounting for Cancellation of Real Estate Sales) discussed two (2) approaches as to how real estate developers should account for the sales cancellation and repossession of the property. The first approach recognizes the repossessioned property at its fair value less cost to repossess. The second approach recognizes the repossessioned property at its fair value plus repossession cost.

In a meeting held by the Securities and Exchange Commission *en banc* on February 7, 2019, the Committee decided to provide relief to the real estate industry by deferring the application of the provisions of PIC Q&A Nos. 2018-12 (H) and 2018-14 for a period of three (3) years.

During this period of deferral, land will be allowed to be included in the percentage of completion (POC) calculation only at historical acquisition cost. Uninstalled materials shall be included in the calculation of the POC based on the proportionate work accomplishment of significant building components procured which are specifically and directly identifiable to the project, as long as covered by contracts, purchase orders and partially paid for.

A real estate company may opt not to avail of any of the relief provided above and instead comply in full with the requirements of PIC Q&A Nos. 2018-12-H and 2018-14. Real estate companies which opted for the deferral shall be required to disclose in the Notes to the Financial Statements the accounting policies applied, a discussion of the deferral of the subject implementation issues in the PIC Q&A and a qualitative discussion of the impact in the financial statements had the concerned application guideline in the PIC Q&A been adopted. The above relief shall form part of the PFRS for the purpose of preparing and filing general-purpose financial statements with the Commission.

Effective January 1, 2021, real estate companies will adopt the subject pronouncements and any subsequent amendments thereof retrospectively or as the SEC will later prescribe.

LABOUR AND EMPLOYMENT

Labour Code of the Philippines

The Department of Labour and Employment (“**DOLE**”) is the Government agency mandated to formulate policies, implement programs and services, and serves as the policy-coordinating arm of the executive branch of the Government in the field of labour and employment. The DOLE has exclusive authority in the administration and enforcement of labour and employment laws such as the Labor Code of the Philippines (the “**Labor Code**”) and the Occupational Safety and Health Standards, as amended, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

On 15 March 2017, Department Order No. 174 (2017) (“**D.O. 174**”) was issued by the DOLE providing for the guidelines on contracting and subcontracting, as provided for under the Labour Code. It has reiterated the policy that labour-only contracting is absolutely prohibited where: (1) (a) the contractor or subcontractor does not have substantial capital, or does not have investments in the form of tools, equipment, machineries, supervision, work premises, among others; and (b) the contractor’s or subcontractor’s employees recruited and placed are performing activities which are directly related to the main business operation of the principal; or (2) the contractor or subcontractor does not exercise the right to control over the performance of the work of the employee. Subsequently, DOLE issued Department Circular No. 1 (2017) clarifying that the prohibition under D.O. 174 does not apply to business process outsourcing, knowledge process outsourcing, legal process outsourcing, information technology infrastructure outsourcing, application development, hardware and/or software support, medical transcription, animation services and back office operations or support.

Occupational Safety and Health Standards Law

On 17 August 2018, Republic Act No. 11058 or the Occupational Safety and Health Standards Law (the “**OSHS Law**”) was signed into law. It mandates employers, contractors or subcontractors and any person who manages, controls or supervises the work, to furnish the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness or physical harm to the workers. It also requires employers, contractors or subcontractors to give complete job safety instructions or orientation and to inform the workers of all hazards associated with their work, health risks involved or to which they are exposed, preventive measures to eliminate or minimise the risks and steps to be taken in cases of emergency.

An employer, contractor or subcontractor who wilfully fails or refuses to comply with the OSHS Law shall be administratively liable for a fine. Further, the liability of the employer, project owner, general contractor, contractor or subcontractor, if any, and any person who manages, controls or supervises the work, shall be solidary.

Social Security System, PhilHealth and HDMF

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under Republic Act No. 11199, otherwise known as the Social Security Act of 2018, to ensure coverage of employees following procedures set out by the law and the Social Security System (“**SSS**”). Under the said law, social security coverage is compulsory for all employees not over 60 years of age. An employer must deduct and withhold from its compulsorily covered employees their monthly contributions based on a given schedule, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations.

Employers are likewise required to ensure enrolment of its employees in a National Health Programme administered by the Philippine Health Insurance Corporation, a Government corporation attached to the Department of Health (“**DOH**”) tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of the National Health Insurance Act of 1995, as amended by the Republic Act No. 11223, otherwise known as the Universal Health Care Act. The registration, accurate and timely deductions and remittance of contributions to the Philippine Health Insurance Corporation is mandatory as long as there is an employer-employee relationship.

Under Republic Act No. 9679 or the Home Development Mutual Fund Law of 2009, all employees who are covered by the Social Security System must also be registered with and covered by the Home Development Mutual Fund, more commonly referred to as the Pag-IBIG Fund. It is a national savings programme as well as a fund to provide affordable shelter financing to Filipino employees. The employer is likewise mandated to deduct and withhold, pay and remit to the HDMF the respective contributions of the employees under the prescribed schedule.

Labour Code Provision on Retirement Pay

The Labour Code provides that, in the absence of a retirement plan provided by their employers, private sector employees who have reached 60 years of age or more, but not beyond 65 years of age, the compulsory retirement age for private-sector employees without a retirement plan, and who have rendered at least five years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month’s salary for every year of service, with a fraction of at least six months being considered as one whole year.

For the purpose of computing the retirement pay, “one-half month’s salary” shall include all of the following: 15 days salary based on the latest salary rate; in addition, 1/12 of the thirteenth month pay and the cash equivalent of five days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement.

DOLE Mandated Work-Related Programmes

Under the Comprehensive Dangerous Drugs Act, a national drug abuse prevention programme implemented by the DOLE must be adopted by private companies with ten or more employees. For this purpose, employers must adopt and establish company policies and programmes against drug use in the workplace in close consultation and coordination with the DOLE, labour and employer organisations, human resource development managers and other such private sector organisations. DOLE Department Order No. 053-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programmes for the private sector.

The employer or the head of the work-related, educational or training environment or institution also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or

prosecution of such cases. Under the Anti-Sexual Harassment Act, the employer will be solidarily liable for damages arising from the acts of sexual harassment committed in the workplace if the employer is informed of such acts by the offended party and no immediate action is taken. Notwithstanding this, the victim of sexual harassment is not precluded from instituting a separate and independent action for damages and other affirmative relief. Any person who violates the provisions of this law shall, upon conviction, be penalised by imprisonment of not less than one month nor more than six months, or a fine of not less than ₱10,000 nor more than ₱20,000, or both such fine and imprisonment, at the discretion of the court. Any action arising from the violation of the provisions of this law shall prescribe in three years.

Moreover, the Philippines AIDS Prevention and Control Act and its implementing rules and regulations require all private workplaces to have a policy on HIV and AIDS and to implement a workplace programs in accordance with Republic Act No. 8504, otherwise known as the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it is strictly limited to medical personnel.

All private workplaces are also required to establish policies and programmes on solo parenting, Hepatitis B, and tuberculosis prevention and control.

ENVIRONMENTAL LAWS

The operations of the businesses of the Company are subject to various laws, rules and regulations that have been promulgated for the protection of the environment.

Philippine Environmental Impact Statement System

The Philippine Environmental Impact Statement System (“**EISS Law**”) established under Presidential Decree No. 1586, which is implemented by the DENR, is the general regulatory framework for any project or undertaking that is either (i) classified as environmentally critical or (ii) is situated in an environmentally critical area. The DENR, through its regional offices or through the Environmental Management Bureau (“**EMB**”), determines whether a project is environmentally critical or located in an environmentally critical area and processes all applications for an Environmental Compliance Certificate (“**ECC**”).

The law requires an entity that will undertake any such declared environmentally critical project or operate in any such declared environmentally critical area to submit an Environmental Impact Statement (“**EIS**”) which is a comprehensive study of the significant impacts of a project on the environment. The EIS serves as an application for the issuance of an ECC, if the proposed project is environmentally critical or situated in an environmentally critical area; or for the issuance of a Certificate of Non-Coverage, if otherwise. An ECC is a Government certification that, among others: (i) the proposed project or undertaking will not cause significant negative environmental impact; (ii) the proponent has complied with all the requirements of the EISS Law in connection with the project; and (iii) the proponent is committed to implement its approved Environmental Management Plan (“**EMP**”) in the EIS. The EMP details the prevention, mitigation, compensation, contingency and monitoring measures to enhance positive impacts and minimize negative impacts and risks of a proposed project or undertaking.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property and the environment or where the project requires rehabilitation or restoration. The Environmental Guarantee Fund is intended to meet any damage caused by such a project as well as any rehabilitation and restoration measures. Project proponents are also required to establish an Environmental Monitoring Fund (“**EMF**”) when an ECC is eventually issued. The EMF is to support the activities of the team monitoring the project proponent’s compliance with ECC conditions, EMP and applicable laws, rules and regulations.

The Clean Water Act

Republic Act No. 9275, otherwise known as the Clean Water Act and its Implementing Rules and Regulations (the “**Clean Water Act and its IRR**”), provide for water quality standards and regulations for the prevention, control, and abatement of pollution of the water resources of the country. The Clean Water Act and its IRR require owners or operators of facilities that discharge regulated effluents (such as wastewater from manufacturing plants or other commercial facilities) to secure a discharge permit from the DENR which authorizes the owners and operators to discharge waste and/or pollutants of specified concentration and volumes from their facilities into a body of water or land resource for a specified period of

time. The discharge permit specifies the quantity and quality of effluents that the holder of the permit is allowed to discharge as well as the validity of the permit. The discharge permit is valid for a maximum period of five years from the date of its issuance, renewable for five-year periods thereafter. The Department may, however, renew the discharge permit and keep it valid for a longer period if the applicant has adopted waste minimization and waste treatment technologies, consistent with incentives currently provided, and has been paying the permit fees on time. The DENR, together with other Government agencies and the different local Government units, is tasked with implementing the Clean Water Act and its IRR, and with identifying existing sources of water pollutants, as well as strictly monitoring pollution sources which are not in compliance with the effluent standards provided in the law.

The Water Code

Presidential Decree No. 1067, or The Water Code of the Philippines (the “**Water Code**”) requires a water permit for the appropriation or use of natural bodies of water. Use or appropriation of water includes, among others, the utilization of water in factories, industrial plants and mines, including the use of water as an ingredient of a finished product. Appropriation of water without a water permit, when one is required, is subject to the imposition of the corresponding penalties imposed by the Water Code and its implementing rules and regulations.

The Clean Air Act

Pursuant to Republic Act No. 8749 or the Clean Air Act of 1999 and its Implementing Rules and Regulations (the “**Clean Air Act and its IRR**”), enterprises that operate or utilize air pollution sources are required to obtain a Permit to Operate from the DENR with respect to the construction or the use of air pollutants. Said permit shall cover emission limitations for the regulated air pollutants to help maintain and attain the ambient air quality standards. A permit duly issued shall be valid for the period specified therein but not beyond one year from the date of issuance unless sooner suspended or revoked. It may be renewed by filing an application for renewal at least thirty days before the expiration date and upon payment of the required fees and compliance with requirements. The issuance of the permit does not, however, relieve the permittee from complying with the requirements of the Clean Air Act and its IRR.

Other Environmental Laws

Other regulatory environmental laws and regulations applicable to the businesses of the Company include the following:

- Republic Act No. 6969 or the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990, which regulates, restricts or prohibits the (i) importation, manufacture, processing, handling, storage, transportation, sale, distribution, use and disposal of chemical substances and mixtures that present unreasonable risk or injury to health or the environment, and (ii) entry as well as transit into the Philippines, or the keeping or storage and disposal of hazardous wastes which include by-products, side-products, process residue, contaminated plant or equipment or other substances from manufacturing operations. Under this law, before any new chemical substance or mixture can be manufactured, processed or imported for the first time, the manufacturer, processor, or importer shall first submit information pertaining to the: (i) name of chemical substance or mixture; (ii) its chemical identity and molecular structure; (iii) proposed categories of use; (iv) estimate of the amount to be manufactured, processed or imported; (v) processing and disposal thereof; and (vi) any test date related to health and environmental effects which the manufacturer, processor or importer has. The said law is implemented by the DENR.
- Republic Act No. 9003 or the Ecological Solid Waste Management Act of 2000, which provides for the proper management of solid waste which includes discarded commercial waste and non-hazardous institutional and industrial waste. The said law prohibits, among others, the transporting and dumping of collected solid wastes in areas other than prescribed centers and facilities. The National Solid Waste Management Commission, together with other Government agencies and the different local Government units, are responsible for the implementation and enforcement of the said law.

PROPERTY REGISTRATION AND NATIONALITY RESTRICTIONS

The Philippines has adopted a system of land registration which conclusively confirms land ownership, which is binding on all persons, including the Government. Once registered, becomes indefeasible after one year from the date of entry of the decree of registration except with respect to claims noted on the certificate of title. Title to registered lands cannot be lost through adverse possession or prescription. Presidential Decree No. 1529, as amended, or the Property Registration Decree, codified the laws relative to land registration and is based on the generally accepted principles underlying the Torrens System.

After proper surveying, application, publication and service of notice and hearing, unregistered land may be brought under the system by virtue of judicial or administrative proceedings. In a judicial proceeding, the Regional Trial Court within whose jurisdiction the land is situated confirms title to the land. Persons opposing the registration may appeal the judgment within 15 days to the Court of Appeals or the Supreme Court. After the lapse of the period of appeal, the Register of Deeds may issue an Original Certificate of Title (“OCT”). The decree of registration may be annulled on the ground of actual fraud within one year from the date of entry of the decree of registration. Similarly, in an administrative proceeding, the land is granted to the applicant by the DENR by issuance of a patent and the patent becomes the basis for issuance of the OCT by the Register of Deeds. All land patents such as homestead, sales and free patents, must be registered with the appropriate registry of deeds since the conveyance of the title to the land covered thereby takes effect only upon such registration.

The act of registration shall be the operative act to convey or affect the land insofar as third persons are concerned, and in all cases under the said decree, the registration shall be made in the office of the RD for the province or city where the land lies. Every conveyance, mortgage, lease, lien, attachment, order, judgment, instrument or entry affecting registered land, if filed or entered in the office of the RD for the province or city where the land to which it relates lies, shall be constructive notice to all persons from the time it is registered, filed, or entered in the records of the RD.

All interests in registered land less than ownership (such as liens created by mortgages and leases) shall be registered by filing with the RD the instrument which creates or transfers or claims such interests and by a brief memorandum thereof made by the RD upon the certificate of title, and signed by him. A similar memorandum shall also be made on the owner’s duplicate.

Any subsequent transfer of encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and a new Transfer Certificate of Title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes.

All documents evidencing conveyances of subdivision and condominium units should also be registered with the Register of Deeds. Title to the subdivision or condominium unit must be delivered to the purchaser upon full payment of the purchase price. Any mortgage existing thereon must be released within six months from the delivery of title.

NATIONALITY RESTRICTIONS

The Philippine Constitution limits ownership of land in the Philippines to Filipino citizens or to corporations the outstanding capital stock of which is at least 60% owned by Philippine Nationals. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning building and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to 40%.

The Foreign Investments Act and the Ninth Regular Foreign Investment Negative List, provide that certain activities are nationalized or partly- nationalized, such that the operation and/or ownership thereof are wholly or partially reserved for Filipinos. Under these regulations, and in accordance with the Philippine Constitution, ownership of private lands is partly- nationalized and thus, landholding companies may only have a maximum of 40% foreign equity.

Considering the foregoing, for as long as the Company owns land in the Philippines, or continue to conduct property development in the Philippines, foreign ownership in the Company shall be limited to a maximum of 40% of the capital stock of the Company which is outstanding and entitled to vote. Accordingly, the Company shall disallow the issuance or the transfer of shares to persons other than Philippine Nationals and shall not record transfers in its books if such issuance or transfer would result in the Company ceasing to be a Philippine National for purposes of complying with the restrictions on foreign ownership discussed above. Philippine National, as defined under the Foreign Investment Act, means a citizen of the Philippines, or a domestic partnership or association wholly-owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and the entitlement to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Philippine Corporation Code, of which 100% of the capital stock outstanding and the entitlement to vote is wholly-owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of Philippine nationals.

REAL PROPERTY TAXATION

Under Republic Act No. 7160, as amended, or the Local Government Code of the Philippines, real property taxes are payable annually based on the property's assessed value. The assessed value of property and improvements vary depending on the location, use and the nature of the property. Land is ordinarily assessed at 20% to 50% of its fair market value; buildings may be assessed at up to 80% of their fair market value; and machinery may be assessed at 40% to 80% of its fair market value. Real property taxes may not exceed 2% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1% in all other areas. An additional special education fund tax of 1% of the assessed value of the property is also levied annually.

The basic real property tax and any other tax levied on real property constitute a lien on the property subject to tax, superior to all liens, charges or encumbrances in favor of any person, irrespective of the owner or possessor thereof, enforceable by administrative or judicial action, and may only be extinguished upon payment of the tax and the related interests and expenses. Should the reasonableness or correctness of the amount assessed be questioned, a protest in writing may be filed with the treasurer of the local government unit, but the taxpayer must first pay the tax, and the tax receipts shall be annotated with the words "paid under protest."

GOVERNMENT PERMITS AND LICENSES

The Company believes that the Company has all the material permits and licenses which are necessary to operate their respective businesses as currently conducted, and the failure to possess any of which would have a material adverse effect to their respective businesses.

CONSTRUCTION LICENSE

A regular contractor's license is required to be obtained from the Philippine Contractors Accreditation Board ("PCAB"). In applying for and granting such license, PCAB takes into consideration the applicant-contractor's qualifications and compliance with certain minimum requirements in the following criteria: (i) financial capacity, (ii) equipment capacity, (iii) experience of the firm, and (iv) experience of technical personnel. Philippine laws also require a contractor to secure construction permits and environmental clearances from appropriate government agencies prior to actually undertaking each project.

HOME DEVELOPMENT MUTUAL FUND

The Home Development Mutual Fund, more popularly known as the Pag-IBIG Fund, was established by virtue of Presidential Decree No. 1530 to provide a national savings program and affordable shelter financing for Filipino workers. HDMF is a mutual provident savings system for private and government employees and other earning groups, supported by matching mandatory contributions of their respective employers with housing as the primary investment. HDMF is statutorily mandated to provide financial assistance for the housing requirements of its members and allot not less than 70% of its investible funds for deployment of housing loans to qualified buyers.

On July 21, 2009, Republic Act No. 9679 or the Home Development Mutual Fund Law of 2009 further strengthened HDMF by making membership thereof mandatory for all Filipino employees including Filipinos employed by foreign-based employers, uniformed personnel and the self-employed.

Among the benefits of membership, HDMF members may avail of housing loans to finance the purchase of a fully developed lot not exceeding 1,000 square meters and to construct a residential unit thereon or to purchase a residential unit, whether old or new, with home improvement. There are two (2) modes of applying for an HDMF housing loan: (i) Retail – wherein the member applies directly to the Fund for his/her housing loan application; or (ii) Developer-Assisted – wherein the developer assists the member in his/her housing loan application.

The Developer-Assisted mode of application is in line with HDMF's objectives to fast track the government's housing program by providing an express take-out window for Pag-IBIG-accredited developers, as well as to enhance the asset quality of HDMF's mortgage loan portfolio. Through this scheme, developers deliver housing loan applications to Pag-IBIG which are secured by Contracts to Sell ("CTS") or Real Estate Mortgage ("REM") on the residential property to which the loan proceeds are applied.

BOARD OF INVESTMENTS

The Board of Investments (“**BOI**”), an agency attached to the Department of Trade and Industry, was created under the Omnibus Investment Code of 1987 (Executive Order No. 226, as amended). The BOI is responsible for promoting and assisting local and foreign investors to venture in desirable areas of business or economic activities.

Under the Omnibus Investment Code, preferred areas of activities or projects specified by the BOI in the Investment Priorities Plan (“**IPP**”) enjoy tax exemption and other benefits to enterprises which venture into such projects. Generally, these incentives include the grant of income tax holiday, the duty-free importation of capital goods, exemption from wharfage dues and export tax, and other non-fiscal incentives such as the employment of foreign nationals, streamlined customs procedures, and the importation of consigned equipment.

Depending on whether the activity is classified as a pioneer or a non-pioneer project and provided the registered enterprise meets the project targets, the income tax holiday incentive may be granted for a period of 4 years to a maximum of 6 years. However, for eligible mass housing projects in the National Capital Region, Metro Cebu and Metro Davao region, the BOI limits the Income Tax Holiday incentive granted to such registered projects to three years.

Regulations on the Implementation of Community Quarantine

COVID-19, an infectious disease that was first reported to have been transmitted to humans in late 2019, has spread globally over the course of 2020, and in March 2020 was declared as a pandemic by the World Health Organization. In light of the pandemic, the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (“**IATF**”) was created by virtue of Executive Order (E.O.) 168, to facilitate the Philippine government’s response to the COVID-19 pandemic. Among other issuances, the IATF issues and updates the Omnibus Guidelines on the Implementation of Community Quarantine in the Philippines (“**Quarantine Guidelines**”), which provide for the implementation of measures imposing restrictions on movement and transportation of people, regulation of the operation of industries, provision of food and essential services with varying levels of restriction.

On March 13, 2020, the President Duterte imposed stringent social distancing measures in the NCR effective March 15, 2020, and on March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six months and imposing ECQ throughout the island of Luzon until April 12, 2020. Social distancing, travel restrictions, quarantine, suspension and closure of business, lockdown and other restrictive measures were later extended, re-implemented or strengthened multiple times in the Philippines in 2020 and 2021.

On September 13, 2021, the IATF issued guidelines for the pilot implementation of an alert level system in certain cities and municipalities. There will be five alert levels under the new system:

- Alert Level 1: Areas where case transmission is low and decreasing, total bed utilization rate, and intensive care unit utilization rate is low;
- Alert Level 2: Areas where case transmission is low and decreasing, healthcare utilization is low, or case counts are low but increasing, or case counts are low and decreasing but total bed utilization rate and intensive care unit utilization rate is increasing;
- Alert Level 3: Areas where case counts are high and/or increasing, with total bed utilization rate and intensive care unit utilization rate at increasing utilization;
- Alert Level 4: Areas where case counts are high and/or increasing, with total bed utilization rate and intensive care unit utilization rate at high utilization; and
- Alert Level 5: Areas where case counts are alarming, with total bed utilization rate and intensive care unit utilization rate at critical utilization.

Such issuance, which seeks to enjoin and proactively advocate the principles of the 3Cs (Closed, Crowded, and Close Contact) strategy against COVID-19 to curb the further spread of infection, shall be applied in the NCR, commencing on 16 September 2021.

The IATF, through IATF Resolution No. 157-A, series of 2022, approved the recommendations of the Sub-Technical Working Group on Data Analytics placing certain provinces, HUCs, and ICCs under their respective Alert Levels effective January 16, 2022 until January 31, 2022, including the NCR under Alert Level 3.

As of the date of this Prospectus, Metro Manila and neighboring areas have been placed under the least restrictive Alert Level 1 of the Pilot Implementation of Alert Levels System, as COVID-19 cases continue to fall. Considering the evolving nature of this outbreak, with the threat of Omicron variant from South Africa entering the country, we continue to follow

the minimum health protocols imposed by the national and local government. Pursuant to Executive Order No. 07 s. 2022 entitled, “Allowing Voluntary Wearing of Facemasks in Indoor and Outdoor Settings and Reiterating the Continued Implementation of Minimum Public Health Standards during the State of Public Health Emergency Relative to the COVID-19 Pandemic,” issued by the President, the wearing of face masks in indoor and outdoor settings is now voluntary except in healthcare facilities and public transportation.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company's overall management and supervision are undertaken by the Board. Its executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning business operations, financial condition and results of operations for its review. Currently, the Board consists of nine (9) members, of which two are independent directors. Except for Emmanuel Herbosa, all the directors named below were elected at the special meeting of the stockholders of the Company held on March 2, 2022. Emmanuel Herbosa was elected at a special meeting of the Board of Directors of the Company held on April 25, 2023. All directors will hold office until their successors have been duly elected and qualified.

The following table sets forth the Board of Directors of the Company:

| Name | Age | Position | Citizenship |
|--|-----|----------------------|-------------|
| Giovanni Juzgaya Olivares | 72 | Chairman | Filipino |
| Nanette Valmores Olivares | 73 | Director | Filipino |
| Marie Leonore Fatima V. Olivares-Vital | 38 | Director | Filipino |
| Paolo Giovanni Olivares | 43 | Director | Filipino |
| Therese Marie Olivares | 40 | Director | Filipino |
| Januario Jesus Gregorio B. Atencio III | 61 | Director | Filipino |
| Gaudencio S. Hernandez, Jr. | 71 | Independent Director | Filipino |
| Victorio C. Valledor | 75 | Independent Director | Filipino |
| Emmanuel Herbosa | 70 | Independent Director | Filipino |

The following table sets forth our key executive and corporate officers ("**Senior Management**")

| Name | Age | Position | Citizenship |
|--|-----|--|-------------|
| Marie Leonore Fatima V. Olivares-Vital | 38 | President and Chief Executive Officer | Filipino |
| John Bryan A. Vital | 40 | Chief Financial Officer and Head of Investor Relations | Filipino |
| Reynaldo Abrencillo | 53 | Chief Operating Officer | Filipino |
| Jhennifer S. Amante | 29 | Chief Revenue Officer | Filipino |
| Mariz Mudlong | 29 | Finance Manager | Filipino |
| Jelane R. Malabanan | 42 | Client Services Manager | Filipino |
| Joseph S. Oabel | 31 | OLI-Cast Engineer Head | Filipino |
| Michelle M. Pua | 45 | Sales Manager | Filipino |
| Jerico M. Samaniego | 41 | Construction Manager | Filipino |
| Alex Erlito S. Fider | 69 | Corporate Secretary | Filipino |
| Graciella Marie D. Baldos-Paz | 41 | Asst. Corporate Secretary | Filipino |

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

Giovanni Juzgaya Olivares, Chairman

Chairman

Filipino, 73 years old

Giovanni Juzgaya Olivares is currently the Chairman of Ovialand, Inc. He has amassed over 35 years of experience in the Philippine affordable real estate business. He began in 1986 as a contractor for various housing projects, including relocation and resettlement projects. This experience led him to realize the importance of access to shelter as a main component of nation building.

He became a real-estate developer in 1991 and has continuously launched and completed house and lot projects in the area of South Luzon. Under his leadership and direction, he has completed over 20,000 housing units as of 2019.

Currently, he also chairs the following companies: Malate Construction and Development Corporation since 1991, 1802 SJ Holdings, Inc. since 2017, Ecoverde Homes Corporation since 2014, and Gabriel Water Works Services Corporation since 2004. He holds a degree in B.S. Commerce from De La Salle University.

Nanette Valmores Olivares, Director

Director

Filipino, 73 years old

Nanette Valmores Olivares is a Director of Ovialand, Inc. Concurrently, she is the President of 1802 SJ Holdings, Inc. since 2017. She also held the following positions in various corporations: Vice-President – Administration of Malate Construction and Development Corporation from 1986 to 2019, Owner/General Manager of Olivares Termite & Pest Control Services Inc., and VP/Administration of Constellation Manpower & Recruitment Agency, Inc.

Currently, she is a member of the Board of Trustee of Assumption College and the Ex-Officio President of Assumption Alumni Association. She holds a degree in A.B. Philippine Studies from Maryknoll College.

Marie Leonore Fatima V. Olivares-Vital

President, Director

Filipino, 38 years old

Marie Leonore Fatima O. Vital currently serves as the President of Ovialand, Inc. As the President, she is a pro-active and hands-on leader with a focus on improving the Company's products and services, and customer experience. Formerly, she served as a Business Unit Head of the corporation from 2014 until 2020. Before joining Ovialand, Inc., she worked as a Human Resources Manager at 1802 SJ Holdings Inc., and as Business Unit Head of MCDL. With her 15 years of in-depth experience in the business of affordable and low-cost housing, she is committed to making Ovialand the number one real estate choice in the region.

Currently, she is a member of the Organization of Socialized Housing Developers of the Philippines (OSHDP), where she also served as a director from 2014 to 2016. She holds a degree in B.S. Educational Psychology from De La Salle University, Manila.

Gaudencio Hernandez, Jr.

Independent Director

Filipino, 71 years old

Gaudencio Hernandez, Jr. is currently an Independent Director of Ovialand, Inc. Concurrently, he is an Honorary Consul of the Republic of Maldives in the Philippines. He has vast career experience in finance having served as Executive Director Philippines Representative in the Asian Development Bank from 2010 to 2016 and as CFO and Treasurer of EEI Corporation from 1998 to 2010.

Currently, he is a director and officer of Financial Executives Institute of the Philippines (FINEX). He is also a member of the following associations: BF Northwest Homeowners' Association, Management Association of the Philippines (MAP), Shareholders' Association of the Philippines (SharePHIL), Institute of Corporate Directors (ICD), and Ateneo Alumni Association. He holds a degree in B.A. Economics from Ateneo de Manila University and has a Masters degree in Business Administration from Ateneo Graduate School of Business. He also graduated from the Top Management Program of the Asian Institute of Management (AIM).

Victorio C. Valledor

Independent Director

Filipino, 75 years old

Victorio C. Valledor is currently an Independent Director of Ovialand. Concurrently, he is the Founder, President, and CEO of Lockton Philippines Insurance & Reinsurance Brokers, Inc. (formerly Alexander Forbes Philippines Risk Services, Inc.) since 1994. He also held executive positions in Citytrust Insurance Brokers Corp., Jardine Davies Insurance Brokers, and Philamgen Insurance Co.

Currently, he chairs the following companies: DBP Insurance Brokers Inc., CRMI Asia Pacific Inc., Direct Link Insurance, VCV Holdings Limited, Sabino J. Cabangon Foundation, Lockton - Asia Pacific, and Platinum CRMI Insurance Agency. He holds a degree in Commerce, Major in Accounting, from University of Santo Tomas. He also completed the following post-graduate courses: Basic Management Program of Asian Institute of Management (AIM), Strategic Business Economics Program (SBEP) of University of Asia and the Pacific, College of Executive Coaching

in Sta. Barbara, California, and Owner President Management Program of Harvard Business School.

Emmanuel Herbosa
Independent Director
Filipino, 70 years old

Mr. Emmanuel Herbosa culminated his 45 years of continuous professional work in a leadership role as the President and CEO of the Development Bank of the Philippines ("DBP") from March 1, 2019 to January 17, 2023. Previously, Mr. Herbosa was awarded as the Best CEO for 2021 by the Association of Development Financing Institutions in Asia and the Pacific ("ADFIAP") for his pursuit of national development in financial inclusion, employment generation, restructuring of mid-size companies, as well as financial provisioning of infrastructure for logistics and farm-to-market access. ADFIAP is the focal point of all development banks and other financial institutions engaged in the financing of development in the Asia-Pacific region, with development bank members from Japan, Australia, ASEAN, China, and the Middle East, to name a few.

Before Mr. Herbosa's appointment as President and CEO of DBP, he served multiple executive positions from 2000 until 2019. From 2000 until 2002, he was the Chief Operating Officer of the Ayala Insurance Group in the Bank of the Philippine Islands ("BPI"). He then became Vice President of Corporate Deposits in BPI until 2007, after which he served as a Senior Vice President of BPI from 2008 until 2013.

After a short retirement from May to December 2013, Mr. Herbosa became the Executive Vice President of Bank of Commerce from January 2014 to December 31, 2017. Thereafter, Mr. Herbosa served as the President and CEO as Philippine Export-Import Credit Agency from June 2018 to February 2019.

Mr. Herbosa obtained a Master in Business Administration in Wharton, University of Pennsylvania in 1979. He graduated as a Bachelor of Science in Industrial Management with a degree in Engineering from De La Salle University in 1975.

Paolo Giovanni Olivares
Director
Filipino, 43 years old

Mr. Paolo Giovanni "Gino" Olivares is currently the National President of the Organization of Socialized and Economic Housing Developers of the Philippines (OSHDP, Inc.), the leading group of mass housing developers in the country.

He is currently the President of Ecoverde Homes Corporation, having served previously as its Business Unit Head from 2014 to 2020. Prior to Ecoverde, Mr. Olivares served as Vice President and Operations Manager of Malate Construction and Development Corporation from 2001 to 2014. With over two decades of experience in the real estate industry, his advocacy on Housing Policy Reforms and active participation in industry organizations has contributed to the quest of ending this decades long housing crisis.

Recently, one of the biggest events of the organization--- the Affordable Housing Summit 2021 was successfully conducted and was viewed and participated by over 20,000 audience during its two-day run-on YouTube and Kumu.

Mr. Olivares obtained his Degree in Applied Economics at the Dela Salle University, and subsequently finished his Entrepreneurial Finance Course and Entrepreneurial Marketing Course at the Asian Institute of Management.

Today, Mr. Olivares, through OSHDP and the 1802 Group of companies is relentless in his pursuit of delivering quality homes, nestled in dignified and decent community.

Therese Marie V. Olivares
Director
Filipina, 40 years old

Therese Marie V. Olivares is currently the General Manager of 1802 SJ Holdings Inc. since 2022. She is also a Board Member of Malate Construction Development Corporation and Ecoverde Homes Corporation. She holds a degree of BS Human Biology from De La Salle University. Prior to joining 1802 SJ Holdings Inc., Ms Olivares worked as a volunteer Numerari for the religious organization, Opus Dei where she was most recently assigned in Rome, Italy.

John Bryan A. Vital

Chief Financial Officer and Head of Investor Relations
Filipino, 40 years old

John Bryan A. Vital is currently the Chief Financial Officer of Ovialand, Inc. He is a dynamic and highly adaptive real estate finance executive who is also deeply involved in the Company's operations. Prior to serving as the CFO of Ovialand, he served as the Finance Head of MCDC until 2014 and then Finance Head of Ovialand from 2014 to 2020. He brings with him over 11 years of real estate development experience gained through Ovialand's affiliate company, Malate Construction & Development Corp. Bryan believes that disciplined and strategic financial and operational monitoring are key drivers in helping the Company realize its vision of providing premiere family living accessible to Filipinos nationwide.

He is a very active member of the Organization of Socialized and Economic Housing Developers of the Philippines. He served as its Treasurer from 2014 to 2016, and consequently the Organization's Secretary General from 2016 to 2018. He received his Bachelor of Arts degree in Management Economics from Ateneo de Manila University, Philippines and is a Masters in Business Administration Ateneo de Manila University- Regis candidate.

Reynaldo Abrencillo
Business Development Head
Filipino, 53 years old

Engr. Reynaldo M. Abrencillo currently serves as the Business Development Head of Ovialand, Inc. He leads the land acquisition, design and planning, licensing and budgeting of all Ovialand developments. From 2014 to 2021, Engr. Abrencillo served as Ovialand's Construction Head. With his deep experience in housing and land development, Rey is able to carefully assess land options for development viability. He works closely with the Design and Planning team to ensure that the house and lot offerings adhere to the Premier standards of the Company. He works closely with the senior management team to create, implement, and roll out plans for operational processes. Before his current role, he served as the Construction Manager of the corporation, where he was in charge of several construction projects including SAVANA, CALIYA, SANNERA I and II.

He is a licensed civil engineer and master plumber. He holds a degree in B.S. Civil Engineering from University of San Jose-Recoletos, where he was a consistent academic and government scholar and was awarded as a gold medalist.

Jhennifer S. Amante
Project Revenue Group Head
Filipino, 29 years old

Jhennifer S. Amante currently serves as the Project Revenue Group Head of Ovialand, Inc. She is in charge of the Company's revenue-generating activities. Through the use of several management dashboards, she is able to effectively plan and execute the Company's ability to reach its revenue targets. Before becoming the Project Revenue Group Head in 2021, she worked as a Property Management Officer from 2014 to 2016, and subsequently, as an Account Management Supervisor 2016 to 2020. With her experience in project management and process improvement, she takes an active part in the Company's strategic and business planning.

She holds a degree in Business Administration Major in Marketing from Batangas State University, where she was consistently a Dean's Lister, and graduated as an Academic Achiever.

Mariz Mudlong
Finance Team Head
Filipino, 29 years old

Mariz M. Mudlong is the Finance Manager of Ovialand, Inc. She obtained her license as a Certified Public Accountant in October 2015. She joined Ovialand as the company's Accounting Head in 2018 and was an accounting associate from 2016 to 2017 in Malate Construction and Development Corporation. With her expertise in financial reporting and analysis, taxation, compliance, and auditing, she ensures the preparation of accurate financial reports and reliable financial planning for the management's strategic decision-making.

She is a member of the Philippine Institute of Certified Public Accountants (PICPA). She holds a degree in B.S. Accountancy from Eduardo L. Josen Memorial College.

Jelane R. Malabanan
Client Services Group Head
Filipino, 42 years old

Jelane R. Malabanan is currently the Personal Account Manager of Ovialand, Inc. She is responsible for the management of accounts and relationships with customers. She has more than six years of experience in the sales operations of the corporation having worked as Sales Associate for 4 years and Sales Supervisor for two years.

She received a diploma in Computer Secretarial from Manuel S. Enverga University.

Joseph S. Oabel
OLI-Cast Engineer Head
Filipino, 31 years old

Joseph S. Oabel is currently the OLI-Cast Engineer Head of Ovialand, Inc. He is responsible in planning and executing the casting yards across developments. He holds a degree in B.S. Civil Engineering from Southern Luzon University. With his experience working as an engineer in the Company since 2015, he now handles the administration of production operations, decides necessary recasting, resawing, and repairs, and supervises all related construction activities and tasks including research in efficiency improvements for OLI-Cast.

Michelle M. Pua
Sales Head
Filipino, 45 years old

Michelle M. Pua is currently the Sales Head of Ovialand, Inc. She is in charge of designing and implementing strategic sales plans for the Company. She has more than nine years of experience in the sales operations of the corporation having worked as Sales Associate and Sales Supervisor.

She holds a degree in B.S. Commerce from Colegio de San Juan de Letran.

Jerico Samaniego
Construction Operations Head
Filipino, 41 years old

Engr. Jerico H. Samaniego is currently the Construction Operations Head of Ovialand, Inc. As the Construction Operations Head, he is in charge of overseeing and directing construction projects from conception to completion, reviewing the project in-depth to schedule deliverables and estimate costs, and overseeing all onsite and offsite constructions to monitor compliance with housing and safety regulations. Before his current role, he was a Project Engineer and Senior Project Engineer of the corporation from 2017 to 2021.

He has been a registered Civil Engineer since May 2013. He holds a degree in B.S. Civil Engineering from Adamson University.

Alex Erlito S. Fider
Corporate Secretary
Filipino, 69 years old

Alex Erlito S. Fider is the Corporate Secretary of Ovialand, Inc. He was elected Corporate Secretary in 2021. His legal experience spans 30 years of involvement in corporate transactions and projects. His legal work extends to an array of corporate and financial matters to companies involved in public infrastructure, water, and power utilities, telecommunications, mass media, banking and finance, real estate development, and agriculture. He is a specialist in the various fields of commercial, civil, telecommunications and public utilities law. Atty. Fider is a Director and Corporate Secretary of several Philippine corporations, including Metro Pacific Tollways Corporation, Metro Pacific Tollways Development Corporation, Manila North Tollways Corporation, Tollways Management Corporation, Smart Communications, Inc. Maynilad Water Services, Inc., and Roxas Holdings, Inc. He is actively involved in the Financial Executives Institute of the Philippines (FINEX) and Institute of Corporate Directors of which he is a Fellow. He is a member of the Board of Trustees of non-profit organizations like the Metropolitan Manila Cathedral Basilica Foundation and TV 5 Alagang Kapatid Foundation.

Graciella Marie D. Baldos-Paz
Assistant Corporate Secretary

Filipino, 41 years old

Graciella Marie D. Baldos-Paz is the Assistant Corporate Secretary of Ovialand, Inc. She was elected Assistant Corporate Secretary in 2021. She is currently a Partner in Picazo Buyco Tan Fider & Santos and specializes in corporate financing, capital markets and securities law. She obtained her Bachelor of Arts, with a major in Organizational Communication from De La Salle University Manila and her Juris Doctor degree from the Ateneo De Manila University School of Law. She was admitted to the Philippine Bar in 2007.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS OF DIRECTORS AND SENIOR MANAGEMENT

To the best of our knowledge, none of the above-named directors or executive officers has been subject to the following:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities, commodities, or banking activities; or
- found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

FAMILY RELATIONSHIPS

There are no family relationships within the fourth degree of consanguinity or affinity between the Directors and Officers of the Company except for the following:

- Mr. Giovanni Juzgaya Olivares and Ms. Nanette Valmores Olivares are spouses.
- Ms. Marie Lenore Fatima V. Olivares-Vital, Paolo Giovanni Olivares, and Therese Marie Olivares are the children of Mr. Giovanni Juzgaya Olivares and Ms. Nanette Valmores Olivares.
- Ms. Marie Lenore Fatima V. Olivares-Vital, Paolo Giovanni Olivares, and Therese Marie Olivares are siblings.
- Ms. Marie Lenore Fatima V. Olivares-Vital and Mr. John Bryan A. Vital are spouses.
- Mr. Giovanni Juzgaya Olivares and Ms. Nanette Valmores Olivares are the parents-in-law of Mr. John Bryan A. Vital.

BOARD COMMITTEES

Specific responsibilities of the Board are delegated to the Audit Committee and Corporate Governance Committee,.

Audit Committee

The Audit Committee shall enhance the Board's oversight capability over the Company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. It shall be responsible for the setting up of the Internal Audit Department and for the appointment of the Internal Auditor as well as the independent external auditor who shall both report directly to the Audit Committee. It shall monitor and evaluate the adequacy and effectiveness of the internal control system. Further, the Audit Committee shall have explicit authority to investigate any matter within its terms of reference, full access to and cooperation by management and full discretion to invite any director or executive officer to attend meetings, and adequate resources to enable it to effectively discharge its functions. The functions of the Audit Committee shall be provided in its committee charter to be prepared by the Board of Directors.

The committee shall consist of at least three appropriately qualified non-executive directors, at least one (1) of whom shall be independent directors, including the committee's chairperson. Preferably, all of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, or related financial management expertise or experience. The chairman of the Audit Committee should not be the chairman of the Board or of any other committees.

The committee is chaired by Gaudencio Hernandez and has Giovanni Olivares and Marie Leonore Fatima Olivares-Vital as members.

Corporate Governance Committee

The Corporate Governance Committee has the duty and responsibility to assist the Board of Directors in the performance of its corporate governance responsibilities, including the functions of a nomination and remuneration committee.

It should be composed of at least three members, at least one (1) of whom shall be independent directors including the chairman of the committee.

The committee is chaired by Januario Jesus Atencio with Therese Marie Olivares, and Victorio Valledor as members.

COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICES

On 2 March 2022, the Board adopted the Manual on Corporate Governance (“**Manual**”), which institutionalize the principles of good corporate governance in the entire organization. The Company believes that it is a necessary component of sound strategic business management, hence, it undertakes efforts to create awareness within the organization.

The Manual provides that it is the Board that has the primary responsibility for the governance of the Company. In addition to setting the policies for the accomplishment of corporate objectives, it has the duty to provide an independent check on the Management. The Board is mandated to attend its regular and special meetings in person or through teleconferencing.

In adopting the Manual, the Company understands the responsibilities of the Board and its members, in governing the conduct of the business of the Company, the Board Committees, in focusing on specific board functions to aid in the optimal performance of its roles and responsibilities, and the officers, in ensuring adherence to corporate principles and best practices.

EXECUTIVE COMPENSATION

The compensation for our executive officers for the years ended December 31, 2020, 2021 , and 2022 are shown below:

The following table sets out the Company's President and Chief Executive Officer and the four most highly compensated executive officers of the Company for the years ended December 31, 2020, 2021, and 2022:

| Name | Position |
|------------------------------|---------------------------------------|
| Marie Lenore Fatima O. Vital | President and Chief Executive Officer |
| John Bryan Vital | CFO |
| Reynaldo Abrencillo | COO / Business Development Head |
| Mariz Mudlong | Finance Manager |
| Jhennifer Amante | Chief Revenue Officer |

The following table identifies and summarizes the aggregate compensation of the Company's President and the four most highly compensated executive officers, as well as the aggregate compensation paid to all other directors and all other officers as a group, for the years ended December 31, 2020, 2021 and 2022:

| | Year | Salary (in ₱) | Bonus (in ₱) | TOTAL (in ₱) |
|--|----------------|---------------|--------------|---------------|
| President and the four most highly compensated executive officers named above | 2020 | 5,071,561 | 3,750,000 | 8,821,561 |
| | 2021 | 5,909,466 | 1,855,840 | 7,765,306 |
| | 2022 | 21,241,548 | 3,980,550 | 25,222,098 |
| | Estimated 2023 | 23,365,702.8 | 6,511,804.08 | 29,877,506.88 |
| Aggregate compensation paid to all other directors and all other officers as a group | 2020 | 3,807,348 | 150,000 | 3,957,348 |
| | 2021 | 4,574,721 | 988,303 | 5,563,024 |
| | 2022 | 18,433,098 | 4,815,690 | 23,248,788 |
| | Estimated 2023 | 20,276,407.8 | 5,297,259 | 25,573,666.8 |

STANDARD ARRANGEMENTS

Other than payment of reasonable per diem of ₱50,000.00 per non-executive director for every meeting, there are no standard arrangements pursuant to which the Board of Directors are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.

EMPLOYMENT CONTRACT BETWEEN THE COMPANY AND SENIOR MANAGEMENT OFFICERS

There are no special employment contracts between the Company and Senior Management.

WARRANTS AND OPTIONS HELD BY THE SENIOR MANAGEMENT OFFICERS AND DIRECTORS

There are no outstanding warrants or options held by Senior Management, and all officers and directors as a group

PRINCIPAL AND SELLING SHAREHOLDERS

The Company has fourteen (14) shareholders as of the date of this Prospectus, as follows:

| Name | No. of Common Shares | Amount Subscribed (in ₱) | Amount Paid-up (in ₱) | % Ownership prior to Listing Date |
|--|----------------------|--------------------------|-----------------------|-----------------------------------|
| Giovanni J Olivares | 25,999,995 | 12,999,998 | 12,999,998 | 2.99% |
| Nanette V. Olivares | 25,000,000 | 12,500,000 | 12,500,000 | 2.87% |
| Marie Leonore Fatima V. Olivares-Vital | 7,000,000 | 3,500,000 | 3,500,000 | 0.80% |
| Paolo Giovanni V. Olivares | 7,000,000 | 3,500,000 | 3,500,000 | 0.80% |
| Therese Marie V. Olivares | 7,000,000 | 3,500,000 | 3,500,000 | 0.80% |
| Maria Katrina V. Olivares-Corcoran | 7,000,000 | 3,500,000 | 3,500,000 | 0.80% |
| John Patrick V. Olivares | 7,000,000 | 3,500,000 | 3,500,000 | 0.80% |
| Joanne Marie Gabrielle V. Olivares | 7,000,000 | 3,500,000 | 3,500,000 | 0.80% |
| Niccolo Angelo Paul V. Olivares | 7,000,000 | 3,500,000 | 3,500,000 | 0.80% |
| 1802 SJ Holdings Inc. as represented by Giovanni J. Olivares | 596,000,000 | 298,000,000 | 298,000,000 | 68.51% |
| Januarius Holdings Inc. | 174,000,000 | 87,000,000 | 87,000,000 | 20.00% |
| Gaudencio Hernandez Jr | 1 | 1 | 1 | 0% |
| Victorio C Valledor | 1 | 1 | 1 | 0% |
| Emmanuel Herbosa | 1 | 1 | 1 | 0% |
| TOTAL | 870,000,000 | ₱435,000,000 | ₱435,000,000 | 100% |

1802 SJ Holdings Inc. is the principal shareholder of Ovialand and is represented in the Offer by Mr. Giovanni J. Olivares, its Chairman.

Shares held by Independent Directors Mr. Hernandez Jr., Mr. Valledor, and Mr. Herbosa are qualifying shares assigned from the shares of Mr. Giovanni J. Olivares.

PSE LOCK-UP REQUIREMENT

Pursuant to the PSE Amended Listing Rules, an applicant company shall cause its existing stockholders who own an equivalent of at least 10% of the issued and outstanding shares of stock of the Issuer to refrain from selling, assigning, or in any manner disposing of their shares for a period of:

- 180 days after the listing of said shares if the applicant company meets the track record requirements; or
- 365 days after the listing of said shares if the applicant company is exempt from the track record and operating history requirements of the PSE Amended Listing Rules.

In addition, if there is any issuance or transfer of Common Shares (i.e., private placements, asset for shares swap or a similar transaction) or instruments which lead to issuance of Common Shares (i.e., convertible bonds, warrants or a similar instrument) completed and fully paid for within 180 days prior to the start of the Offer, and the transaction price is lower than that of the Offer Price in the initial public offering, all such Common Shares issued or transferred shall be subject to a lock-up period of at least 365 days from full payment of such Shares. Thus, the following shall be subject to such lock-up period:

Assuming the Over-allotment Option is not exercised, the following are covered by the 180-day lock-up requirement from Listing Date:

| Shareholder | No. of Shares Subject to 180-day Lock-up Period |
|-------------------------|---|
| 1802 SJ Holdings Inc. | 596,000,000 |
| Januarius Holdings Inc. | 150,000,000 |
| TOTAL | 746,000,000 |

Assuming the Over-allotment Option is fully exercised, the following are covered by the 180-day lock-up requirement from Listing Date:

| Shareholder | No. of Shares Subject to 180-day Lock-up Period |
|-------------------------|---|
| 1802 SJ Holdings Inc. | 567,200,000 |
| Januarius Holdings Inc. | 142,800,000 |
| TOTAL | 710,000,000 |

To implement the lock-up requirement, the Company, Januarius Holdings Inc. and 1802 SJ Holdings Inc. shall enter into an escrow agreement with [SBC TAMG].

The Company has agreed with the Sole Issue Manager, Lead Underwriter and Sole Bookrunner that, except in connection with the Over-allotment Option, it will not, without the prior written consent of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, issue, offer, pledge, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal of) any Common Shares or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Common Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the underlying securities, including equity swaps, forward sales and options for a period of 180 days after the Listing Date.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS HOLDING MORE THAN 5% OF THE COMPANY'S VOTING SECURITIES AS OF 31 MARCH 2023:

| Title of Class | Name and address of record owners and relationship with the Company | Name of beneficial owner and relationship with record owner | Citizenship | No. of Shares held | % of total outstanding Shares |
|-----------------------|--|--|--------------------|---------------------------|--------------------------------------|
| Common shares | 1802 SJ Holdings Inc. | Giovanni Olivares and Nanette Valmores | Filipino | 596,000,000 | 68.51% |

| | | | | | |
|---------------|--|---|----------|-------------|--------|
| | Unit 2701 Parkway Corporate Center , Corporate Ave cor Parkway Place Filinvest Alabang Muntinlupa City Shareholder/Parent Company | Olivares | | | |
| Common shares | Januarius Holdings Inc. Unit 705 BSA Twin Tower Bank Drive Ortigas Center Mandaluyong City Shareholder | Januarius Jesus Gregorio III B Atencio and Rodrigo B Libunao JR | Filipino | 174,000,000 | 20.00% |

SECURITY OWNERSHIP OF MANAGEMENT AS OF 31 MARCH 2023

| Title of Class | Name of beneficial owner | Position | Nationality | Amount and Nature of Beneficial Ownership | % of total outstanding Shares |
|-----------------------|--|-----------------|--------------------|--|--------------------------------------|
| Common shares | Giovanni J Olivares | Chairman | Filipino | 25,999,996 | 2.99% |
| Common shares | Nanette V. Olivares | Director | Filipino | 25,000,000 | 2.87% |
| Common shares | Marie Leonore Fatima V. Olivares-Vital | President & CEO | Filipino | 7,000,000 | 0.80% |
| Common shares | Paolo Giovanni V. Olivares | Director | Filipino | 7,000,000 | 0.80% |
| Common shares | Therese Marie V. Olivares | Director | Filipino | 7,000,000 | 0.80% |
| Common shares | Maria Katrina V. Olivares-Corcoran | Director | Filipino | 7,000,000 | 0.80% |
| Common shares | John Patrick V. Olivares | Director | Filipino | 7,000,000 | 0.80% |

| | | | | | |
|---------------|------------------------------------|----------------------|----------|-------------------|---------------|
| Common shares | Joanne Marie Gabrielle V. Olivares | Director | Filipino | 7,000,000 | 0.80% |
| Common shares | Niccolo Angelo Paul V. Olivares | Director | Filipino | 7,000,000 | 0.80% |
| Common shares | Gaudencio Hernandez, Jr. | Independent Director | Filipino | 1 | 0.00% |
| Common shares | Victorio Valledor | Independent Director | Filipino | 1 | 0.00% |
| TOTAL | | | | 99,999,999 | 11.49% |

Except as disclosed above, none of the Company's other executive officers own shares directly or indirectly in the Company. Ownership in the Company is limited to that indicated in the foregoing.

THE SELLING SHAREHOLDERS

1802 SJ Holdings Inc. was incorporated on September 19, 2017 with the primary purpose of being a holding company. Its principal office is located at Unit 2701 Parkway Corporate Center, Filinvest City, Alabang, Muntinlupa City.

Januarius Holdings, Inc., on the other hand, was incorporated on August 14, 2008 with the primary purpose of being a holding company. Its principal office is at Unit 705 BSA Twin Tower B, Bank Drive, Ortigas Center, Mandaluyong City.

The following table below sets forth, for the Selling Shareholders, the number of Common Shares and percentage of outstanding shares held before the Offer, the maximum number of Option Shares to be sold pursuant to the Over-allotment Option and the number of shares and percentage of outstanding shares owned immediately after the Offer:

| Selling Shareholders | No. of Shares before the Offer | % of Shares Outstanding before the Offer | No. of Option Shares to be sold pursuant to the Over-allotment Option | No exercise of Over-allotment Option | | Full exercise of Over-allotment Option | |
|--------------------------|--------------------------------|--|---|--------------------------------------|---|--|---|
| | | | | No. of Shares held after the Offer | % of Shares Outstanding after the Offer | No. of Shares held after the Offer | % of Shares Outstanding after the Offer |
| 1802 SJ Holdings Inc. | 596,000,000 | 68.51% | 28,800,000 | 596,000,000 | 68.51% | 567,200,000 | 65.19% |
| Januarius Holdings, Inc. | 174,000,000 | 20% | 7,200,000 | 174,000,000 | 20% | 166,800,000 | 19.17% |

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred herein as affiliates). Related parties may be individuals or corporate entities.

In the ordinary course of business, the Company enters into various transactions with related parties and affiliates, principally consisting of joint venture agreements, lease of commercial space, use of credit line facilities, stock subscription and cash advances. The Company's policy is to settle intercompany receivables and payable on a net basis. Transactions entered with related parties are made at terms equivalent to those that prevail in arm's length transactions on terms comparable to those available from or to unrelated third parties, as the case may be. Outstanding balances owed to related parties at a certain reporting date are non-interest bearing, unsecured and payable/collectible in cash on demand.

The Company has the following transactions with related parties:

| Related party Categories | Outstanding balance as of December 31, | |
|---|--|---------|
| | 2022 | 2021 |
| | <i>(₪ in millions)</i> | |
| Parent Company | | |
| 1802 SJ Holdings Inc | | |
| Advances granted(obtained),net | 67,742 | -24,562 |
| Due to Related parties | -11,095 | -97,061 |
| Entities under common ownership | | |
| Ecoverde Homes Corporation | | |
| Advances granted(obtained),net | 0 | 9,345 |
| Malate Construction and Development Corporation | | |
| Advances granted(obtained),net | 65,676 | 43,073 |

For more information on volume and amounts outstanding, see Note [21] to our audited financial statements as of and for the years ended December 31, 2020, 2021 and 2022.

DESCRIPTION OF THE OFFER SHARES

The following is general information relating to our capital stock but does not purport to be complete or to give full effect to the provisions of law and is in all respects qualified by reference to the applicable provisions of our Articles of Incorporation and By-Laws.

The Offer Shares shall be offered at a price of up to ₱[5.60] per Offer Share (the Offer Price). The determination of the Offer Price is further discussed on page [52] of this Prospectus. A total of [1,206,000,000] Common Shares will be outstanding after the Offer and the Offer Shares will comprise up to [32.84]% of the outstanding Common Shares after the Offer, assuming the full exercise of the Over-allotment Option. All the issued and outstanding shares of the Company, including the Offer Shares, will be listed and traded on the Main Board of the PSE.

Share Capital Information

As of the date of this Prospectus, the Company has an authorized capital stock of ₱1,000,000,000.00, divided into 1,800,000,000 Common Shares with a par value of ₱0.50 per share and 100,000 preferred shares with a par value of ₱1,000.00 per share. As of the date of this Prospectus, the Company has 870,000,000 common shares issued and outstanding. There are no shares held in treasury.

The Offer Shares will consist of up to [360,000,000] Firm Shares and up to [36,000,000] Option Shares. The Firm Shares will comprise up to [336,000,000] unissued common shares to be offered and issued by us by way of primary offer and up to [24,000,000] issued common shares to be offered by way of a secondary offer. The Option Shares will comprise up to [36,000,000] issued Common Shares to be offered by way of a secondary offer.

Rights Relating to Shares

Voting Rights of Shares

Each common share is entitled to one vote. At each meeting of the shareholders, every stockholder entitled to vote on a particular question or matter involved shall be entitled to one vote for each share of stock standing in his name in our books at the time of the closing of the transfer books for such meeting.

In accordance with Section 23 of the Revised Corporation Code of the Philippines, at each election of directors, every stockholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him as of the relevant record date for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate the number of votes equal to the number of directors to be elected multiplied by the number his shares shall equal or by distributing such votes on the same principle among any number of candidates as the stockholder shall see fit.

Our common shares have full voting rights. However, the Revised Corporation Code provides that voting rights cannot be exercised with respect to shares declared by the Board of Directors as delinquent, treasury shares, or if the shareholder has elected to exercise his right of appraisal referred to below.

Dividend Rights of Common Shares

The Company is allowed to declare dividends out of its unrestricted retained earnings at such times and in such percentages as may be determined by its Board of Directors. Such determination will take into consideration factors such as debt service requirements, the implementation of business plans, operating expenses, budgets, funding for new investments, appropriate reserves and working capital, among other things.

A cash dividend declaration does not require any further approval from the shareholders. A stock dividend declaration requires the further approval of shareholders holding or representing not less than two-thirds of our outstanding capital stock. The Revised Corporation Code defines the term “outstanding capital stock” to mean the “total shares of stock issued under binding subscription contracts to subscribers or stockholders, whether fully or partially paid, except treasury shares.” Such shareholders’ approval may be given at a general or special meeting duly called for such purpose. See “*Dividends and Dividend Policy*.”

Rights of Shareholders to Assets of the Company

Each holder of a Common Share is entitled to a pro rata share in our assets available for distribution to the shareholders in the event of dissolution, liquidation and winding up.

Pre-emptive Rights

Pursuant to our Articles of Incorporation, our stockholders have no pre-emptive right to subscribe to any issue or disposition of shares of any class of the Company.

Appraisal Rights

Under Philippine law, shareholders dissenting from the following corporate actions may demand payment of the fair value of their shares in certain circumstances:

- in case any amendment to the corporation's articles of incorporation has the effect of changing and restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class;
- in case of any sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property or assets;
- in case of merger or consolidation;
- in case the corporation decides to invest its funds in another corporation or business or for any purpose other than the primary purpose; and
- in case of extension or shortening of the term of corporate existence.

In these circumstances, the dissenting shareholder may require the corporation to purchase his shares at a fair value which, in default, is determined by three disinterested persons, one of whom shall be named by the stockholder, one by the corporation, and the third by the two thus chosen. The appraisal rights may be exercised by the dissenting stockholder by making a written demand within thirty (30) days after the date on which the vote was taken on the corporate action. The failure to make the demand within the period shall be deemed a waiver of the appraisal rights.

The payment to the dissenting stockholder of the fair value of his shares will only be available if our Company has unrestricted retained earnings to cover such purchase. From the time the shareholder makes a demand for payment until the Issuer purchases such shares, all rights accruing on the shares, including voting and dividend rights, shall be suspended, except the right of the shareholder to receive the fair value of the share.

Derivative Rights

Under Philippine law, shareholders have the right to institute proceedings on behalf of the corporation in a derivative action in the event that the corporation itself is unable or unwilling to institute the necessary proceedings to rectify the wrongs committed against the corporation or to vindicate corporate rights as, for example, where the directors themselves are the malefactors.

Right of Inspection

It is a recognized right of a shareholder to inspect the corporate books, records of all business transactions of the corporation and the minutes of any meeting of the Board and shareholders at reasonable hours on business days and may demand a copy of excerpts from such records or minutes at his or her expense. On the other hand, the corporation may refuse such inspection if the shareholder demanding to examine or copy the records of the corporation has improperly used any information secured through any prior examination, or was not acting in good faith or for a legitimate purpose in making his demand.

Right to Financial Statements

Another recognized right of a shareholder is the right to be furnished with the most recent financial statement of the corporation, which shall include a balance sheet as of the end of the last taxable year and a profit and loss statement for said taxable year, showing in reasonable detail its assets and liabilities and the results of its operations. At the meeting of shareholders, the board of directors is required to present to the shareholders a financial report of the

operations of the corporation for the preceding year, which shall include financial statements duly signed and certified by an independent certified public accountant.

Change in Control

There are no existing provisions in our Articles of Incorporation or By-Laws which will delay, defer or in any manner prevent a change in control of the Company.

Shareholders' Meetings

Annual or Regular Shareholders' Meetings

All Philippine corporations are required to hold an annual meeting of shareholders for corporate purposes, one of which is the election of directors. Our by-laws provide for annual meetings on the first Monday of July of each year, and if a legal holiday, then on the day following.

Special Shareholders' Meeting

Special meetings of shareholders, for any purpose or purposes, may at any time be called by either the President of the Company, upon the request by a majority of the Board of Directors to the President of the Company, or upon the written request of stockholders registered as the owners of at least one third (1/3) of the outstanding capital stock of the Company entitled to vote. Pursuant to Section 49 of the Revised Corporation Code, stockholders may propose the holding of a special meeting and items to be included in the agenda.

Shareholders who, alone or together with other shareholders, hold at least 5.0% of the outstanding capital stock of a publicly-listed company have the right to include items on the agenda prior to the regular/special stockholders' meeting.

Moreover, shareholders of a publicly-listed company holding at least 10.0% or more of the outstanding capital stock may call for a special stockholders' meeting, subject to the guidelines set under Section 49 of the Revised Philippine Corporation Code, SEC Memorandum Circular No. 7 (series of 2021) ("**SEC Circular No. 7**"), and other relevant regulations. The shareholders calling for the special stockholders' meeting must have held the shares for a period of at least one year prior to the receipt by the Corporate Secretary of a written call for a special stockholders' meeting.

Notice of Shareholders' Meeting

Whenever shareholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and time of the meeting, and the purpose or purposes for which the meeting is called. Notices for the meetings shall be sent by the Secretary by personal delivery, by mail or electronic message at least (21) days for regular meetings and seven business days for special meetings, or such other period as may be allowed by applicable regulation, prior to the date of the meeting to each stockholder of record at his last known address. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called. In case of special meetings, only matters stated in the notice can be the subject of motions or deliberations at such meeting. Notice of any meeting may be waived, expressly or impliedly, by any shareholder, in person or by proxy, before or after the meeting.

When the meeting of the shareholders is adjourned to another time or place, notice of the adjourned meeting need not be provided so long as the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is decided. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

For a special stockholders' meeting called pursuant to SEC Circular No. 7, the Board shall issue the notice to convene the stockholders' meeting at least seven days prior to the proposed date of the special meeting after a determination that the objectives and conditions in the written call are consistent with the requirements of SEC Circular No. 7.

Quorum

Unless otherwise provided by law or an existing shareholders' agreement, shareholders who own or hold a majority of the outstanding capital stock must be present or represented in all regular or special meeting of shareholders in order to constitute a quorum, except in cases where the Revised Corporation Code provides a greater percentage vis-

a-vis the total outstanding capital stock. If no quorum is constituted, the meeting shall be adjourned until shareholders who own or hold the requisite number of shares shall be present or represented.

Upon approval of and upon notice by the Board of Directors, meetings may be attended by the stockholders either in person or through video or teleconference or such other means as may be subsequently permitted by applicable law or regulation.

Voting

The shareholders may vote at all meetings the corresponding number of shares registered in their respective names, either in person or by proxy duly appointed as discussed herein below.

Fixing Record Dates

For purposes of determining the stockholders entitled to notice of, or to vote or be voted at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividends or other distribution or allotment of any rights, or for the purpose of any other lawful action, or for making any other determination of stockholders, the Board of Directors may provide that the stock and transfer book be closed at least twenty (21) days for regular meeting and seven days for special meetings before the scheduled date of meeting. In lieu of closing the stock and transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of stockholders. A determination of stockholders of record entitled to notice of or to vote or be voted at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date shall be fixed by the SEC and shall be indicated in the SEC order which shall not be less than ten (10) days nor more than thirty (30) days after all clearances and approvals by the SEC shall have been secured. Regardless of the kind of dividends, the record date set shall not be less than ten trading days from receipt by the PSE of the notice of declaration of the dividend.

Proxies

Shareholders may vote at all meetings the number of shares registered in their respective names, either in person or by proxy. A proxy shall be in writing and duly presented to and received by the Corporate Secretary for inspection and recording within five business days prior to the scheduled meeting. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Corporate Secretary. No proxy shall be valid and effective for a period longer than five years at any one time.

No member of the PSE and no broker/dealer shall give any proxy, consent or authorization, in respect of any securities carried for the account of a customer to a person other than the customer, without the express written authorization of such customer. The proxy executed by the broker shall be accompanied by a certification under oath stating that before the proxy was given by the broker, he had duly obtained the written consent of the persons in whose account the shares are held. There shall be a presumption of regularity in the execution of proxies and proxies shall be accepted if they have the appearance of prima facie authenticity in the absence of a timely and valid challenge. Proxies are required to comply with the relevant provisions of the Revised Corporation Code, the SRC, the Implementing Rules and Regulations of the SRC (as amended), and SEC Memorandum Circular No. 5 (series of 1996) issued by the SEC.

Issue of Shares

Subject to applicable limitations, the Company may issue additional shares to any person for consideration deemed fair by its Board, provided said consideration shall not be less than the par value of the issued shares. No share certificates shall be issued to a subscriber until the full amount of the subscription together with interest and expenses (in case of delinquent shares) has been paid and proof of payment of the applicable taxes shall have been submitted to our Corporate Secretary. Under the PSE Rules, only fully-paid shares may be listed on the PSE.

Transfer of Common Shares

All the issued and outstanding shares of the Company will be in scripless form through the electronic book-entry system of the Company's stock transfer agent and lodged with the depository agent as required by the PSE. Legal title to uncertificated shares will be shown in an electronic register of shareholders which shall be maintained by the stock transfer agent of the Company. See "*The Philippine Stock Market*" on page [155] of this Prospectus.

Under Philippine law, transfer of the Common Shares is not required to be effected on the PSE, but any off exchange transfers will subject the transferor to a capital gains tax that may be significantly greater than the stock transaction tax applicable to transfers effected on an exchange. See “*Taxation*” on page [163] of this Prospectus. All transfers of Common Shares on the PSE must be effected through a licensed stockbroker in the Philippines.

Share Register

The Company’s share register is maintained at the principal office of its stock transfer agent, [STSI].

Share Certificates

Certificates representing the Common Shares may be issued in such denominations as shareholders may request, except that certificates will not be issued for fractional shares. For Shareholders who wish to split their certificates, they may do so through application to our stock transfer agent. See “*The Philippine Stock Market*” beginning on page [155] of this Prospectus.

Mandatory Tender Offer

Pursuant to the SRC and its implementing rules and regulations, it is mandatory for any person or group of persons acting in concert to make a tender offer to all the shareholders of the target corporation before the intended acquisition of:

- 35% of the outstanding voting shares or such outstanding voting shares that are sufficient to gain control of the board in a public company in one or more transactions within a period of 12 months;
- 35% of the outstanding voting shares or such outstanding voting shares that are sufficient to gain control of the board in a public company directly from one or more stockholders; or
- equity which would result in ownership of over 50% of the outstanding equity securities of a public company.

Pertaining to the first instance, when the securities tendered pursuant to such an offer exceed the number of shares that the acquiring person or group of persons is willing to acquire, the securities shall be purchased from each tendering shareholder on a pro rata basis according to the number of securities tendered by each security holder. In the event that the tender offer is oversubscribed, the aggregate amount of securities to be acquired at the close of such tender offer shall be proportionately distributed to both the selling shareholders with whom the acquirer may have been in private negotiations and the minority shareholders.

Pertaining to the second instance, the tender offer shall be made for all the outstanding voting shares. The sale of shares pursuant to the private transaction with the stockholders shall not be completed prior to the closing and completion of the tender offer.

Pertaining to the third instance, the acquirer shall be required to make a tender offer for all the outstanding equity securities to all remaining stockholders of the company at a price supported by a fairness opinion provided by an independent financial advisor or equivalent third party. The acquirer shall be required to accept all securities tendered.

Further, no mandatory tender is required in:

- purchases of shares from unissued capital stock unless such purchases will result in a 50% or more ownership of shares by the purchaser or such percentage that is sufficient to gain control of the Board;
- purchases from an increase in the authorized capital stock of the target company;
- purchases in connection with a foreclosure proceeding involving a pledge or security where the acquisition is made by a debtor or creditor;
- purchases in connection with a privatization undertaken by the government of the Philippines;
- purchases in connection with corporate rehabilitation under court supervision;
- purchases through an open market at the prevailing market price; or

- purchases resulting from a merger or consolidation.

Fundamental Matters

The Revised Corporation Code provides that the following acts of a corporation require the approval of shareholders representing at least two-thirds (2/3) of the issued and outstanding capital stock of the corporation: (i) amendment of the articles of incorporation; (ii) removal of directors; (iii) sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the assets of the corporation; (iv) investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which the corporation was organized; (v) delegation to the board of directors of the power to amend or repeal by-laws or adopt new by-laws; (vi) merger or consolidation; (vii) an increase or decrease in capital stock; (viii) dissolution; (ix) extension or shortening of the corporate term; (x) creation or increase of bonded indebtedness; (xi) declaration of stock dividends; (xii) management contracts with related parties; and (xiii) ratification of contracts between the corporation and a director or officer.

Further, the approval of shareholders holding a majority of the outstanding capital stock of a Philippine corporation, including non-voting shares, is required for the adoption or amendment of the by-laws of such corporation.

Accounting and Auditing Requirements

Philippine stock corporations are required to file copies of their annual financial statements with the SEC. In addition, public corporations are required to file quarterly financial statements (for the first three quarters) with the SEC. Those corporations whose shares are listed on the PSE are additionally required to file said quarterly and annual financial statements with the PSE. Shareholders are entitled to request copies of the most recent financial statements of the corporation which include a statement of financial position as of the end of the most recent tax year and a profit and loss statement for that year. Shareholders are also entitled to inspect and examine the books and records that the corporation is required by law to maintain.

The Board is required to present to shareholders at every annual meeting a financial report of our operations for the preceding year. This report is required to include audited financial statements.

THE PHILIPPINE STOCK MARKET

Brief History

The Philippines initially had two stock exchanges, the Manila Stock Exchange, which was organized in 1927, and the Makati Stock Exchange, which began operations in 1963. Each exchange was self-regulatory, governed by its respective Board of Governors elected annually by its members.

Several steps initiated by the Government have resulted in the unification of the two bourses into the PSE. The PSE was incorporated on 24 July 1992 as a non-stock corporation by officers of both the Makati and the Manila Stock Exchanges. In March 1994, the licenses of the two exchanges were revoked. The PSE previously maintained two trading floors, one in Makati City and the other in Pasig City, which were linked by an automated trading system that integrated all bid and ask quotations from the bourses. In February 2018, the PSE transferred to its new office located at the PSE Tower, Bonifacio Global City, Taguig City. The PSE Tower houses the PSE corporate offices and a single, unified trading floor.

In June 1998, the SEC granted the PSE “Self-Regulatory Organization” status, allowing it to impose rules as well as implement penalties on erring trading participants and listed companies. On 8 August 2001, the PSE completed its demutualization, converting from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the SRC. Each of the 184 member-brokers was granted 50,000 shares of the new PSE at a par value of ₱1.00 per share. In addition, a trading right evidenced by a “Trading Participant Certificate” was immediately conferred on each member-broker allowing the use of the PSE’s trading facilities. As a result of the demutualization, the composition of the PSE Board of Governors was changed, requiring the inclusion of seven brokers and eight non-brokers, one of whom is the President. On 15 December 2003, the PSE listed its shares by way of introduction at its own bourse as part of a series of reforms aimed at strengthening the Philippine securities industry. As of 6 March 2020, the PSE has an authorized capital stock of ₱120 million, of which ₱85.2 million are issued and ₱81.6 million are outstanding.

Classified into financial, industrial, holding firms, property, services, and mining and oil sectors, companies are listed either on the PSE’s Main Board or the Small, Medium and Emerging Board. On 3 April 2013, the PSE issued Rules on Exchange Traded Funds (“ETF”) which provides for the listing of ETFs on an ETF Board separate from the PSE’s existing boards.

The PSE has a benchmark index, referred to as the PSEi, which reflects the price movements of the 30 largest and most active stocks at the PSE. The PSEi is a free float market capitalization-weighted index.

The PSE launched its Corporate Governance Guidebook in November 2010 as another initiative of the PSE to promote good governance among listed companies. It is composed of ten guidelines embodying principles of good business practice and based on internationally recognized corporate governance codes and best practices. With the increasing calls for good corporate governance and the need to consistently provide full, fair, accurate and timely information, the PSE adopted a new online disclosure system to support the provision of material information coming from listed companies and enhance access to such reports by the investing public. In December 2013, the PSE Electronic Disclosure Generation Technology (EDGe), a new disclosure system co-developed with the Korea Exchange, went live. The EDGe system provided a dedicated portal for listed company disclosures and also offered a free-to download mobile application for easy access by investors.

In June 2015, the PSE shifted to a new trading system, the PSEtrade XTS, which utilizes NASDAQ’s X-stream Technology. The PSEtrade XTS, which replaced the NSC trading platform provided by NYSE Euronext Technologies SAS, is equipped to handle large trading volumes. It is also capable of supporting the future requirements of the PSE should more products and services be introduced.

In November 2016, PSE received regulatory approvals to introduce new products in the stock market – the Dollar Denominated Securities and the Listing of PPP Companies.

In June 2018, the PSE received approval from the SEC to introduce short selling in the equities market.

On 22 March 2018, the PSE completed a stock rights offering of 11,500,000 Common Shares which were offered at the price of ₱252.00 per share, or a total of ₱2,898,000,000. The proceeds of the stock rights offering will be used to fund the acquisition of PDS and capital expenditure requirements of the PSE. As of the date of this Preliminary Prospectus, the PSE has an authorized capital stock of ₱120 million, of which 85,025,692 shares are issued. Out of this total, 84,925,686 shares are outstanding, and 100,006 are treasury shares.

The table below sets out movements in the composite index from 2005 to 2020, and shows the number of listed companies, market capitalization, and value of shares traded for the same period:

| Year | Composite Index at Closing | Number of Listed Companies | Aggregate Market Capitalization (₱ Bn) | Combined Value of Turnover (₱ Bn) |
|-------------|-----------------------------------|-----------------------------------|---|--|
| 2005 | 2,096.0 | 237 | 5,948.4 | 383.5 |
| 2006 | 2,982.5 | 240 | 7,172.8 | 572.6 |
| 2007 | 3,621.6 | 244 | 7,978.5 | 1,338.3 |
| 2008 | 1,872.9 | 246 | 4,069.2 | 763.9 |
| 2009 | 3,052.7 | 248 | 6,029.1 | 994.2 |
| 2010 | 4,201.1 | 253 | 8,866.1 | 1,207.4 |
| 2011 | 4,372.0 | 253 | 8,697.0 | 1,422.6 |
| 2012 | 5,812.7 | 254 | 10,930.1 | 1,771.7 |
| 2013 | 5,889.8 | 257 | 11,931.3 | 2,546.2 |
| 2014 | 7,230.6 | 263 | 14,251.7 | 2,130.1 |
| 2015 | 6,952.1 | 265 | 13,465.2 | 2,151.4 |
| 2016 | 7,629.7 | 268 | 14,438.8 | 1,929.5 |
| 2017 | 8,558.4 | 267 | 17,538.1 | 1,958.4 |
| 2018 | 7,466.0 | 267 | 16,146.7 | 1,736.8 |
| 2019 | 7,815.3 | 271 | 16,710.0 | 1,770.0 |
| 2020 | 7,139.7 | 274 | 15,888.9 | 1,770.9 |
| 2021 | 7,122.63 | 278 | 17,763,728 | 1,780.9 |
| 2022 | 6,566.39 | 285 | 16,338,510 | 1,435.8 |

Source: PSE and PSE Annual Reports; Bloomberg

Trading

The PSE is a double auction market. Buyers and sellers are each represented by stock brokers. To trade, bid or ask prices are posted on the PSE's electronic trading system. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one broker at the same price are crossed at the PSE at the indicated price. Transactions are generally invoiced through a confirmation slip sent to customers on the trade date (or the following trading day). Payment of purchases of listed securities must be made by the buyer on or before the third trading day (the settlement date) after the trade.

Equities trading on the PSE starts at 9:30 a.m. and ends at 12:00 p.m. for the morning session, and resumes at 1:30 pm and ends at 3:30 pm for the afternoon session, with a ten-minute extension during which transactions may be conducted, provided that they are executed at the last traded price and are only for the purpose of completing unfinished orders. Trading days are Monday to Friday, except legal and special holidays and days when the BSP clearing house is closed. From 19 March 2020 to 3 December 2021, on account of the COVID-19 pandemic, trading in the PSE was held as a continuous session from 9:30 a.m. to 1:00 p.m. daily. Beginning on 6 December 2021, trading in the PSE resumes to regular trading hours.

Minimum trading lots range from 5 to 1,000,000 shares depending on the price range and nature of the security traded. The minimum trading lot for the Issuer's Shares is 10 shares. Odd-sized lots are traded by brokers on a board specifically designed for odd-lot trading.

To maintain stability in the stock market, daily price swings are monitored and regulated. Under current PSE regulations, whenever an order will result in a breach of the trading threshold of a security within a trading day, the trading of that security will be frozen. Orders cannot be posted, modified or cancelled for a security that is frozen. In cases where an order has been partially matched, only the portion of the order that will result in a breach of the trading threshold will be frozen. Where the order results in a breach of the trading threshold, the following procedures shall apply:

- In case the static threshold is breached, the PSE will accept the order, provided the price is within the allowable percentage price difference under the implementing guidelines of the revised trading rules (i.e., 50% of the previous day's reference or closing price, or the last adjusted closing price); otherwise, such order will be rejected. In cases where the order is accepted, the PSE will adjust the static threshold to 60%. All orders breaching the 60% static threshold will be rejected by the PSE.
- In case the dynamic threshold is breached, the PSE will accept the order if the price is within the allowable percentage price difference under the existing regulations (i.e., 20% for security cluster A and newly-listed securities, 15% for security cluster B and 10% for security cluster C); otherwise, such order will be rejected by the PSE.

Non-Resident Transactions

When the purchase/sale of Philippine shares involves a non-resident, whether the transaction is effected in the domestic or foreign market, it will be the responsibility of the securities dealer/broker to register the transaction with the BSP. The local securities dealer/broker shall file with the BSP, within three business days from the transaction date, an application in the prescribed registration form. After compliance with other required undertakings, the BSP shall issue a Certificate of Registration. Under BSP rules, all registered foreign investments in Philippine securities including profits and dividends, net of taxes and charges, may be repatriated.

Settlement

The Securities Clearing Corporation of the Philippines ("SCCP") is a wholly-owned subsidiary of the PSE, and was organized primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. SCCP received its permanent license to operate on 17 January 2002. It is responsible for: (1) synchronizing the settlement of funds and the transfer of securities through delivery versus payment, as well as clearing and settlement of transactions of clearing members, who are also PSE Trading Participants; (2) guaranteeing the settlement of trades in the event of a PSE Trading Participant's default through the implementation of its "Fails Management System" and administration of the Clearing and Trade Guaranty Fund, and; (3) performance of risk management and monitoring to ensure final and irrevocable settlement.

SCCP settles PSE trades on a three-day rolling settlement environment, which means that settlement of trades takes place three days after transaction date (T+3). The deadline for settlement of trades is 12:00 noon of T+3. Securities sold should be in scripless form and lodged under the book entry system of the PDTC. Each PSE Trading Participant maintains a Cash Settlement Account with one of the eight existing Settlement Banks of SCCP which are Banco De Oro Unibank, Inc. ("BDO Unibank"), Rizal Commercial Banking Corporation ("RCBC"), Metropolitan Bank & Trust Company ("Metrobank"), Deutsche Bank ("DB"), Union Bank of the Philippines ("Unionbank"), The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), Maybank Philippines, Inc. ("Maybank") and Asia United Bank Corporation ("AUB"). Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented its Central Clearing and Central Settlement ("CCCS") system in 29 May 2006. CCCS employs multilateral netting, whereby the system automatically offsets "buy" and "sell" transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each clearing member. All cash debits and credits are also netted into a single net cash position for each clearing member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-eligible trade cleared through it.

Scripless Trading

In 1995, the PDTC, was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. On December 16, 1996, the PDTC was granted a provisional license by the SEC to act as a central securities depository.

All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgment (deposit) and upliftment (withdrawal) of securities, pledge of securities, securities lending and borrowing and corporate actions including shareholders' meetings, dividend declarations and rights offerings. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book-entry system, while the cash element will be settled through the current settlement banks, BDO Unibank, RCBC, Metrobank, DB, Unionbank, HSBC, Maybank and AUB.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which shareholders transfer legal title (but not beneficial title) over their shares of stock in favor of PCD Nominee Corporation ("**PCD Nominee**"), a corporation wholly owned by the PDTC whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged into the PDTC. "**Immobilization**" is the process by which the warrant or share certificates of lodging holders are cancelled by the transfer agent and the corresponding transfer of beneficial ownership of the immobilized shares to PCD Nominee will be recorded in the Issuer's registry. This trust arrangement between the participants and PDTC through PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the SEC. No consideration is paid for the transfer of legal title to PCD Nominee. Once lodged, transfers of beneficial title of the securities are accomplished via book-entry settlement.

Under the current PDTC system, only participants (e.g., brokers and custodians) will be recognized by the PDTC as the beneficial owners of the lodged equity securities. Thus, each beneficial owner of shares, through his participant, will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. All lodgments, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant's aggregate holdings, in the PDTC system, and with respect to each beneficial owner's holdings, in the records of the participants. Beneficial owners are thus advised that in order to exercise their rights as beneficial owners of the lodged shares, they must rely on their participant-brokers and/or participant custodians.

Any beneficial owner of shares who wishes to trade his interests in the shares must execute the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP and into the PDTC system. Once it is determined on the settlement date (T+3) that there are adequate securities in the securities settlement account of the participant-seller and adequate cleared funds in the settlement bank account of the participant-buyer, the PSE trades are automatically settled in the CCCS system, in accordance with the SCCP and PDTC Rules and Operating Procedures. Once settled, the beneficial ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities.

If a shareholder wishes to withdraw his stockholdings from the PDTC System, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedure of the PDTC for the upliftment of shares lodged under the name of PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under PCD Nominee. The expenses for upliftment are generally on the account of the uplifting shareholder.

The difference between the depository and the registry would be on the recording of the shares in the issuing corporations' books. In the depository set-up, shares are simply immobilized, wherein customers' certificates are cancelled and a confirmation advice is issued in the name of PCD Nominee Corp. Transfers among/between broker and/or custodian accounts, as the case may be, will only be made within the book-entry system of PDTC. However, as far as the issuing corporation is concerned, the underlying certificates are in the nominee's name. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agents' books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing from the broker its current "de facto" custodianship role.

Amended Rule on Lodgment of Securities

On 24 June 2009, the PSE apprised all listed companies and market participants through Memorandum No. 2009-0320 that commencing on 1 July 2009, as a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the PDTC or any other entity duly authorized by the SEC, without any jumbo or mother certificate, in compliance with the requirements of Section 43 of the SRC. In compliance with the foregoing requirement, actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the documentary requirements stated in Article III, Part A of the PSE's Revised Listing Rules.

For listing applications, the amended rule on lodgment of securities is applicable to:

- The offer shares/securities of the applicant company in the case of an initial public offering;
- The shares/securities that are lodged with the PDTC, or any other entity duly authorized by the SEC in the case of a listing by way of introduction;
- New securities to be offered and applied for listing by an existing listed company; and
- Additional listing of securities of an existing listed company.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof as follows:

- For new companies to be listed at the PSE as of 1 July 2009 the usual procedure will be observed but the Transfer Agent of the companies shall no longer issue a certificate to PCD Nominee Corp. but shall issue a Registry Confirmation Advice, which shall be the basis for the PDTC to credit the holdings of the Depository Participants on listing date.
- On the other hand, for existing listed companies, the PDTC shall wait for the advice of the Transfer Agents that it is ready to accept surrender of PCNC jumbo certificates and upon such advice the PDTC shall surrender all PCNC jumbo certificates to the Transfer Agents for cancellation. The Transfer Agents shall issue a Registry Confirmation Advice to PCNC evidencing the total number of shares registered in the name of PCNC in the issuer's registry as of confirmation date.

Further, the PSE apprised all listed companies and market participants on 21 May 2010, through Memorandum No. 2010-0246 that the Amended Rule on Lodgment of Securities under Section 16 of Article III, Part A of the Revised Listing Rules of the PSE shall apply to all securities that are lodged with the PDTC or any other entity duly authorized by the PSE.

Issuance Of Stock Certificates for Certificated Shares

On or after the listing of the shares on the PSE, any beneficial owner of the shares may apply with PDTC through his broker or custodian-participant for withdrawal from the book-entry system and return to the conventional paper-based settlement. If a shareholder wishes to withdraw his stockholdings from the PDTC system, the PDTC has a procedure of upliftment under which the PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the uplifting of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under the PCD Nominee.

Upon the issuance of stock certificates for the shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of the shares into certificated securities will be charged to the person applying for upliftment. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until the relevant stock certificates in the name of the person applying for upliftment shall have been issued by the relevant company's transfer agent.

Amended Rule on Minimum Public Ownership

Under the PSE Amended Rule on Minimum Public Ownership, listed companies are required, at all times, to maintain a minimum percentage of listed securities held by the public of 10.0% of the listed companies' total issued and outstanding shares (i.e., exclusive of treasury shares), or at such percentage that may be prescribed by the PSE. For purposes of determining compliance with the MPO, shares held by the following are generally considered "held by

the public”: (a) individuals (for as long as the shares held are not of a significant size (i.e., less than 10.0%) and are non-strategic in nature; (b) trading participants (for as long as the shares held are non-strategic in nature); (c) investment and mutual funds; (d) pension funds; (e) PCD nominees if this account constitutes a number of shareholders, none of which has significant holdings (provided that if an owner of shares under the PCD Nominee has a shareholding that is 10% or more of the total issued and outstanding shares, then this shareholder is considered a principal stockholder); and (f) social security funds.

Listed companies that become non-compliant with the MPO on or after 1 January 2013 will be suspended from trading for a period of not more than six months and will automatically be delisted if it remains non-compliant with the MPO after the lapse of the suspension period. Suspended or delisted shares will not be traded on the exchange. In addition, sale of shares of listed companies that do not maintain the MPO are not considered publicly listed for taxation purposes and should, therefore, be subjected to capital gains tax and documentary stamp tax.

In accordance with the SEC Memorandum Circular No. 13 Series of 2017 issued on 1 December 2017, the MPO requirement on companies that undertake initial public offerings was increased from 10.0% to 20.0%, while existing publicly listed companies as of December 2017 remain to be subject to the 10.0% MPO. The PSE rule on MPO requires that listed companies shall, at all times, maintain a minimum percentage of listed securities held by the public of 10.0% or 20.0%, as applicable, of the listed companies’ issued and outstanding shares, exclusive of any treasury shares. Pursuant to PSE Circular No. 2020-0076, the 20% MPO requirement will also apply to companies applying for listing by way of introduction and companies undertaking a backdoor listing.

The SEC is also looking at increasing the MPO requirement of existing listed companies to 25.0% for all listed companies; however, such proposed rules on increasing the MPO have yet to be adopted.

PHILIPPINE FOREIGN INVESTMENT, EXCHANGE CONTROLS, AND FOREIGN OWNERSHIP

Registration of Foreign Investments and Exchange Controls

Under current BSP regulations, an investment in listed Philippine securities must be registered with the BSP if the foreign exchange needed to service the repatriation of capital and/or the remittance of dividends, profits, and earnings derived from such securities is to be sourced from the foreign exchange resources of the Philippine banking system. The registration with the BSP is evidenced by a *Bangko Sentral* Registration Document. Under BSP Circular No. 1030 dated February 5, 2019, debt securities, purchase of condominium units, capital expenses incurred by foreign firms pursuant to government approved-service contracts and similar contracts, and Philippine depository receipts, must likewise be registered with the BSP if foreign exchange will be sourced from the Philippine banking system. If the foreign exchange required to service capital repatriation or dividend remittance is sourced outside the Philippine banking system, registration is not required. BSP Circular No. 950 (Series of 2017), however, subjects foreign exchange dealers, money changers and remittance agents to R.A. No. 9160 (the Anti-Money Laundering Act of 2001, as amended) and requires these non-bank sources of foreign exchange to require foreign exchange buyers to submit, among others, the original BSP registration documents in connection with their application to purchase foreign exchange for purposes of capital repatriation and remittance of dividends.

Under BSP Circular No. 1030 dated February 5, 2019, the custodian bank with authority to operate a foreign currency deposit unit must register equity investments listed on an onshore exchange on behalf of the non-resident investor. The custodian bank must also report all transactions on the registered investment to the BSP. Applications for registration must be accompanied by: (1) proof of investment, such as purchase invoice or, subscription agreement; (2) proof of funding, such as original certificate of inward remittance of foreign exchange and its conversion into Philippine pesos through an authorized agent bank in the prescribed format. Additionally, the foreign investor must execute an Authority to Disclose Information covering all his/her investments with each designated registering bank.

For excess Philippine pesos arising from unrealized investments, banks may sell foreign exchange to the foreign investor equivalent to excess Philippine pesos that are funded by inward remittance of foreign exchange plus interest earned on the excess Philippine pesos, provided that at least 50% of the inwardly remitted foreign exchange should have been invested in onshore. However, in the case of disapproved subscription or oversubscription of debt and equity securities, erroneously remitted funds, and similar cases, the 50% requirement need not be complied with. In these cases, the foreign investor must execute an Application to Purchase and the bank shall report the foreign exchange remittance to the BSP.

BSP registered investments are entitled to full and immediate repatriation of capital and remittance of related earnings using the foreign exchange resources of the Philippine banking system, without need of further BSP approval. However, the remitting bank shall report all foreign exchange remittances to the BSP. Remittance is permitted upon presentation of: (1) the BSP registration document; (2) supporting documents, such as the cash dividends notice from the PSE and the Philippine Depository and Trust Corporation (formerly the Philippine Central Depository) showing a printout of cash dividend payment or computation of interest earned; (3) copy of the corporate secretary's sworn statement on the board resolution covering the dividend declaration; and (4) original computation of the Philippine peso amount to be converted to foreign exchange in the format prescribed by the BSP. Pending reinvestment or repatriation offshore, Philippine peso divestment proceeds, as well as related earnings, of registered investments may be lodged temporarily in interest-bearing Philippine peso deposit accounts. Interest earned thereon, net of taxes, may also be remitted in full without further BSP approval. Philippine peso divestment proceeds and/or earnings on registered investments may be reinvested in the Philippines if the investments are registered with the BSP or the investor's custodian bank.

The foregoing is subject to the power of the BSP, through the Monetary Board, with the approval of the President of the Philippines, to suspend temporarily or restrict the availability of foreign exchange, require licensing of foreign exchange transactions or require delivery of foreign exchange to the BSP or its designee during an exchange crisis, when an exchange crisis is imminent, or in times of national emergency. Furthermore, there can be no assurance that BSP foreign exchange regulations will not be made more restrictive in the future. The registration with the BSP of all foreign investments shall be the responsibility of the foreign investor.

Foreign Ownership Controls

The Philippine Constitution and related statutes set forth restrictions on foreign ownership of companies that are engaged in certain activities.

Republic Act No. 7042, as amended, or the Foreign Investments Act of 1991, reserves to Philippine Nationals all areas of investment in which foreign ownership is limited by mandate of the Constitution and specific laws. Section 3(a) of said law defines a “Philippine National” as:

- a citizen of the Philippines;
- a domestic partnership or association wholly-owned by citizens of the Philippines;
- a trustee of funds for pension or other employee retire mentor separation benefits where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine Nationals;
- a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines; and
- a corporation organized abroad and registered as doing business in the Philippines under the Corporation Code of the Philippines of which 100% of the capital stock outstanding and entitled to vote is wholly-owned by Filipinos.

However, the Foreign Investments Act of 1991 states that, where a corporation (and its non- Filipino shareholders) own stock in a Philippine SEC-registered enterprise, to be considered a Philippine National, at least 60% of the capital stock outstanding and entitled to vote of both the investing corporation and the investee corporation must be owned and held by citizens of the Philippines. Further, at least 60% of the members of the board of directors of both the investing corporation and the investee corporation must be Philippine citizens in order for the investee corporation to be considered a Philippine National.

On May 20, 2013, the Philippine SEC issued Memorandum Circular No. 8, Series of 2013 which provided guidelines (the **Guidelines**) on compliance with the Filipino-Foreign ownership requirements under the Philippine Constitution and other existing laws by corporations engaged in nationalized or partly nationalized activities (the **Nationalized Corporations**). The Guidelines provide, that for purposes of determining compliance with the foreign equity restrictions in Nationalized Corporations, the required percentage of Filipino ownership shall be applied to both (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.

Compliance with the required ownership by Philippine Nationals of a corporation is to be determined on the basis of outstanding capital stock whether fully paid or not.

The Philippine Constitution limits ownership of land in the Philippines to Filipino citizens or to Philippine Nationals. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning buildings and other permanent structures.

TAXATION

The following is a general description of certain Philippine tax aspects of the investment in the Common Shares. This discussion is based on laws, regulations, rulings, income tax conventions (tax treaties), administrative practices and judicial decisions in effect at the date of this Prospectus, and is subject to any changes in law occurring after such date. Subsequent legislative, judicial or administrative changes or interpretations may be retroactive and could affect the tax consequences to the prospective investor.

The tax treatment of a prospective investor may vary depending on such investor's particular situation and certain investors may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to an investor, or to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rates

This general description does not purport to be a comprehensive description of the Philippine tax aspects of the investments in shares and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing the shares under applicable tax laws of other applicable jurisdictions and the specific tax consequence in light of particular situations of acquiring, owning, holding and disposing the shares in such other jurisdictions.

EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE COMMON SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL AND NATIONAL TAX LAWS.

As used in this section, the term “resident alien” refers to an individual whose residence is within the Philippines and who is not a citizen thereof; a “non-resident alien” is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines; a non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a “non-resident alien engaged in trade or business in the Philippines;” otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a “non-resident alien not engaged in trade or business in the Philippines.” A “resident foreign corporation” is a foreign corporation engaged in trade or business within the Philippines; and a “non-resident foreign corporation” is a non-Philippine corporation not engaged in trade or business within the Philippines.

The term “non-resident holder” means a holder of the Company’s shares:

- who is an individual who is neither a citizen nor a resident of the Philippines or an entity which is a non-resident foreign corporation; and
- should a tax treaty be applicable, whose ownership of the Company’s shares is not effectively connected with a fixed base or a permanent establishment in the Philippines.

On January 1, 2018, Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (**TRAIN**), took effect. The TRAIN amended various provisions of Republic Act No. 8424 or the National Internal Revenue Code (the “**Tax Code**”), including those on ordinary income tax of individuals, capital gains tax on the sale and disposition of shares of stock, estate tax, donor’s tax, and documentary stamp tax.

On March 26, 2021, the second package of the Comprehensive Tax Reform program, Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act (“**CREATE Law**”) was signed into law, amending provisions of the Tax Code relating to, among others, corporate income tax, lowering corporate income taxes and modernizing fiscal incentives in a bid to complement the expected incremental revenues from the first package.

CORPORATE INCOME TAX

The Tax Code generally subjects a domestic corporation to a tax of 20% or 25% of its taxable income from all sources within and outside the Philippines except, among others, (i) gross interest income from currency bank deposits and yield from deposit substitutes, trust funds and similar arrangements as well as royalties from sources within the Philippines which are generally taxed at the lower final withholding tax rate of 20% of the gross amount of such income; (ii) interest income from a depository bank under the expanded foreign currency deposit system which is subject to a final tax rate of 7.5% of such income, (iii) capital gains tax from sales of shares of stock not traded in the stock exchange which are taxed at a rate of 15%, and (iv) capital gains realized from the sale, exchange or disposition

of lands and buildings, which is subject to a final tax of 6%.

A minimum corporate income tax of 1% of the gross income as of the end of the taxable year is imposed on a domestic corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operations, when the minimum corporate income tax is greater than the ordinary income tax for the taxable year.

Nevertheless, any excess of the minimum corporate income tax over the ordinary corporate income tax shall be carried forward and credited against the latter for the three immediately succeeding taxable years. Further, subject to certain conditions, the minimum corporate income tax may be suspended with respect to a corporation which suffers losses on account of a prolonged labor dispute, *force majeure* or legitimate business reasons.

TAX ON DIVIDENDS

Cash and property dividends received from a domestic corporation by individual shareholders who are either citizens or residents of the Philippines are subject to a final withholding tax at the rate of 10%. Cash and property dividends received from a domestic corporation by domestic corporations or resident foreign corporations are not subject to tax.

Cash and property dividends received from a domestic corporation by non-resident alien individuals engaged in trade or business in the Philippines are subject to a 20% final withholding tax on the gross amount thereof.

Cash and property dividends received from a domestic corporation by non-resident alien individuals not engaged in trade or business in the Philippines are subject to a final withholding tax at 25% of the gross amount but may be subject to the applicable preferential tax rates under tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign individuals provided that a prior application for tax treaty relief has been properly filed with the appropriate office of the Philippine tax authorities. (However, please see discussion below on BIR Revenue Memorandum Order No. 27-2016 regarding tax treaty relief applications.) A non-resident alien who comes to the Philippines and stays in the country for an aggregate period of more than 180 days during any calendar year will be deemed a non-resident alien engaged in trade or business in the Philippines.

Cash and property dividends received from a domestic corporation by a non-resident foreign corporation are generally subject to a final withholding tax at the rate of 25%, which may be reduced to 15% (under the tax sparing rules) when the country in which the non-resident foreign corporation is domiciled (i) imposes no taxes on foreign-sourced dividends or (ii) allows a 15% or greater credit against the tax due from the non-resident foreign corporation taxes deemed to have been paid in the Philippines. Alternatively, non-resident foreign corporations may avail themselves of the preferential tax rates applicable to cash and property dividends received from a domestic corporation under tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign corporations provided that a prior application for a tax treaty relief has been properly filed with the appropriate office of the Philippine tax authorities.

The following table lists some of the countries with which the Philippines has tax treaties and the tax rates currently applicable to non-resident holders who are residents of those countries:

| | Dividends (%) | Stock transaction tax on sale or disposition effected through the PSE(%)⁽¹²⁾ | Capital gains tax due on disposition of shares outside the PSE (%) |
|----------------|--------------------------|--|---|
| Canada | 25 ⁽¹⁾ | 0.5 | May be exempt ⁽⁹⁾ |
| China | 15 ⁽²⁾ | 0.5 | May be exempt ⁽⁹⁾ |
| France | 15 ⁽³⁾ | 0.5 | May be exempt ⁽⁹⁾ |
| Germany | 15 ⁽⁴⁾ | 0.5 | 5/10 ⁽¹⁰⁾ |
| Japan | 15 ⁽⁵⁾ | 0.5 | May be exempt ⁽⁹⁾ |
| Singapore | 25 ⁽⁶⁾ | 0.5 | May be exempt ⁽⁹⁾ |
| United Kingdom | 25 ⁽⁷⁾ | 0.5 | Exempt ⁽¹¹⁾ |

| | Dividends (%) | Stock transaction tax on sale or disposition effected through the PSE(%)⁽¹²⁾ | Capital gains tax due on disposition of shares outside the PSE (%) |
|---------------|--------------------------|--|---|
| United States | 25 ⁽⁸⁾ | 0.5 | May be exempt ⁽⁹⁾ |

- (1) 15% if the recipient company controls at least 10% of the voting power of the company paying the dividends.
- (2) 10% if the beneficial owner is a company which holds directly at least 10% of the capital of the company paying the dividends.
- (3) 10% if the recipient company (excluding a partnership) holds directly at least 10% of the voting shares of the company paying the dividends.
- (4) 10% if the recipient company (excluding a partnership) owns directly at least 25% of the capital of the company paying the dividends.
- (5) 10% if the recipient company holds directly at least 10% of either the voting shares of the company paying the dividends or of the total shares issued by that company during the period of six months immediately preceding the date of payment of the dividends.
- (6) 15% if during the part of the paying company's taxable year which precedes the date of payment of dividends and during the whole of its prior taxable year at least 15% of the outstanding shares of the voting shares of the paying company were owned by the recipient company.
- (7) 15% if the recipient company is a company which controls directly or indirectly at least 10% of the voting power of the company paying the dividends.
- (8) 20% if during the part of the paying corporation's taxable year which precedes the date of payment of dividends and during the whole of its prior taxable year, at least 10% of the outstanding shares of the voting shares of the paying corporation were owned by the recipient corporation. Notwithstanding the rates provided under the Republic of the Philippines-United States Treaty, residents of the United States may avail themselves of the 15% withholding tax rate under the tax-sparing clause of the Philippine Tax Code provided certain conditions are met.
- (9) Capital gains are taxable only in the country where the seller is a resident, provided the shares are not those of a corporation, the assets of which consist principally of real property situated in the Philippines, in which case the sale is subject to Philippine taxes.
- (10) Under the tax treaty between the Philippines and Germany, capital gains from the alienation of shares of a Philippine corporation may be taxed in the Philippines irrespective of the nature of the assets of the Philippine corporation. Tax rates are 5% on the net capital gains realized during the taxable year not in excess of ₱100,000 and 10% on the net capital gains realized during the taxable year in excess of ₱100,000.
- (11) Under the tax treaty between the Philippines and the United Kingdom, capital gains on the sale of the shares of Philippine corporations are subject to tax only in the country where the seller is a resident, irrespective of the nature of the assets of the Philippine corporation.
- (12) Exempt if the stock transaction tax is expressly covered by the applicable tax treaty or is deemed by the relevant authorities as an identical or substantially similar tax to the Philippine income tax. In BIR Ruling No. ITAD 22-07 dated February 9, 2007, the BIR held that the stock transaction tax cannot be considered as an identical or substantially similar tax on income, and, consequently, ruled that a Singapore resident is not exempt from the stock transaction tax on the sale of its shares in a Philippine corporation through the PSE.

Stock dividends distributed pro-rata to any holder of shares of stock are not subject to Philippine income tax. A stock dividend constitutes income if it gives the shareholder an interest different from that which his former stockholdings represented. A stock dividend does not constitute income if the new shares confer no different rights or interest than did the old.

Any availment of tax treaty relief should be preceded by an application for tax treaty relief filed with the International Tax Affairs Division of the BIR as required under the BIR Revenue Memorandum Order No. 14-2021, including any clarification, supplement or amendment thereto and, once available, a BIR-certified certificate, ruling or opinion addressed to the relevant applicant or shareholder confirming its entitlement to the preferential tax rate under the applicable treaty. The current requirements for a tax treaty relief application in respect of capital gains tax on the sale of shares are set out in the applicable tax treaty and in BIR Form No. 0901-C. The BIR has prescribed, through administrative issuances, certain procedures for the availment of preferential tax rates or tax treaty relief.

If the regular tax rate is withheld by the paying corporation instead of the reduced rates applicable under a tax treaty, the nonresident holder of the shares may file a claim for refund from the BIR. However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information, and

may also involve the filing of a judicial appeal, it may be impractical to pursue such a refund.

On June 23, 2016, the BIR issued BIR Revenue Memorandum Order No. 27-2016 (“**RMO 27-2016**”), which amends BIR Revenue Memorandum Order No. 72-2010. RMO 27-2016 provides that in lieu of filing a tax treaty relief application, preferential treaty rates for dividends, interests and royalties shall be granted outright by withholding final taxes at the applicable treaty rate. As of the date of this Prospectus, the effectivity of RMO 27-2016 has been suspended.

SALE, EXCHANGE OR DISPOSITION OF SHARES

Capital Gains Tax, if sale was made outside the PSE

Unless an applicable treaty exempts such gains from tax or provides for preferential rates, the net capital gains realized by a resident or non-resident (other than a dealer in securities) during each taxable year from the sale, exchange or disposition of shares of stock (*i.e.* secondary sale of common shares by the holder to another party) outside the facilities of the PSE are subject to capital gains tax of 15%. If an applicable tax treaty exempts the gains from tax, an application for tax treaty relief must be properly filed with the Philippine tax authorities and should precede any availment of an exemption under a tax treaty.

The transfer of shares shall not be recorded in the books of a company, unless the BIR certifies that the capital gains and documentary stamp taxes relating to the sale or transfer have been paid, or where applicable, a tax treaty relief has been confirmed by the International Tax Affairs Division of the BIR or other conditions have been met.

Taxes on Transfer of Shares Listed and Traded at the PSE

Unless an applicable treaty exempts the sale from income and/or percentage tax, a sale or other disposition of shares of stock through the facilities of the PSE by a resident or a non-resident holder (other than a dealer in securities), is subject to a stock transaction tax at the rate of six-tenths of one percent (6/10 of 1%) of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed. This tax is required to be collected by and paid to the Philippine Government by the selling stockbroker on behalf of his client. The stock transaction tax is classified as a percentage tax in lieu of a capital gains tax. Under certain tax treaties, the exemptions from capital gains tax discussed herein may not be applicable to stock transaction tax.

In addition, value added tax (“**VAT**”) of 12% is imposed on the commission earned by the PSE-registered broker from services provided in connection with the sale of shares. VAT is generally passed on to the client.

Prospective purchasers of the Common Shares should obtain their own tax advice in respect of their investment in relation to these developments.

Documentary Stamp Tax

The original issue of shares of stock is subject to documentary stamp tax (“**DST**”) of ₱2 for each ₱200, or a fractional part thereof, of the par value of the shares of stock issued. The DST on the issuance of the Common Shares shall be paid by the Company.

The secondary transfer of shares of stock outside the facilities of the PSE is subject to a documentary stamp tax of ₱1.5 for each ₱200, or a fractional part thereof, of the par value of the share of stock transferred. The DST is imposed on the person making, signing, issuing, accepting or transferring the document and is thus payable by the vendor or the purchaser of the shares. However, the sale, barter or exchange of shares of stock listed and traded at the PSE is exempt from documentary stamp tax.

In addition, the borrowing and lending of securities executed under the securities borrowing and lending program of a registered exchange, or in accordance with regulations prescribed by the appropriate regulatory authority, are likewise exempt from DST. However, the securities borrowing and lending agreement should be duly covered by a master securities borrowing and lending agreement acceptable to the appropriate regulatory authority, and should be duly registered and approved by the BIR.

Estate and Donor’s Tax

Shares issued by a corporation organized under Philippine laws are deemed to have a Philippine *situs*, and any transfer thereof by way succession or donation, even if made by a non-resident decedent or donor outside the Philippines, is

subject to Philippine estate and donor's tax, respectively.

The transfer of shares of stock upon the death of an individual holder to his heirs by way of succession, whether such holder was a citizen of the Philippines or an alien, regardless of residence, is subject to Philippine estate taxes at 6% of the net value of the estate at the time of death. On the other hand, individual stockholders, whether or not citizens or residents of the Philippines, who transfer shares of stock by way of gift or donation are liable to pay Philippine donor's tax on such transfer of shares a rate of 6% of the value of the gifts during the calendar year exceeding ₱250,000.

The sale, exchange or transfer of shares outside the facilities of the PSE may also be subject to donor's tax when the fair market value of the shares of stock sold is greater than the amount of money received by the seller. In this case, the excess of the fair market value of the shares of stock sold over the amount of money received as consideration shall be deemed a gift subject to donor's tax.

Estate and donor's tax, however, shall not be collected in respect of intangible personal property, such as shares of stock:

1. if the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country, or
2. if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

In case shares of stock are transferred for less than an adequate and full consideration in money or money's worth, the amount by which the fair market value of the shares of stock exceeded the value of the consideration may be deemed a gift, and donor's taxes may be imposed on the transferor of the shares of stock, based on Section 100 of the Tax Code, provided that a transfer of property made in the ordinary course of business (a transaction which is a bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth.

TAXATION OUTSIDE THE PHILIPPINES

Shares of stock in a domestic corporation are considered under Philippine law as situated in the Philippines and the gain derived from their sale is entirely from Philippine sources; hence such gain is subject to Philippine income tax and the transfer of such shares by way of donation (gift) or succession is subject to Philippine donor's or estate taxes, respectively as stated above.

The tax treatment of a non-resident holder of shares of stock in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of domicile or business activities and such holder's particular situation. This Prospectus does not discuss the tax considerations on non-resident holders of shares of stock under laws other than those of the Philippines.

LEGAL MATTERS

All legal opinions/matters in connection with the Offer will be passed upon by Picazo Buyco Tan Fider & Santos (“**Picazo Law**”) for the Company and Romulo Mabanta Buenaventura Sayoc & de los Angeles (“**Romulo Law**”) for the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. Picazo Law and Romulo Law have no direct or indirect interest in OviaLand. Picazo Law and Romulo Law may, from time to time, be engaged to advise in the transactions of the Company and perform legal services on the basis that Picazo Law and Romulo Law provide such services to its other clients.

Each of the foregoing legal counsels has neither shareholdings nor any right, whether legally enforceable or not, to nominate persons or to subscribe for our securities. Neither of the legal counsels will receive any direct or indirect interest in any of our securities (including options, warrants or rights thereto) pursuant to or in connection with the Offer.

INDEPENDENT AUDITORS

The financial statements of the Company as of 31 December 2020, 2021 and 2022 were audited by Punongbayan & Araullo (Grant Thornton), independent auditors, as stated in their report attached to this Prospectus.

Punongbayan & Araullo has acted as the Company's external auditor since 2020. Mailene Sigue-Bisnar is the current audit partner for the Company and has served as such since 2020. The Company has not had any material disagreements on accounting and financial disclosures with its current external auditor for the same periods or any subsequent interim period.

Punongbayan & Araullo, has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of the Company. Punongbayan & Araullo will not receive any direct or indirect interest in the Company or its securities (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The following table sets out the aggregate fees paid to Punongbayan & Araullo for professional services rendered in respect of the audit of our historical financial statements, excluding out-of-pocket expenses incidental to such services and excluding fees directly related to the Offer:

| | 2022 | 2021 | 2020 |
|-------------------------------------|-------------------|-------------------|-------------------|
| Audit and Audit Related Fees | ₱3,300,000 | ₱2,320,000 | ₱1,304,000 |
| Tax Fees | N/A | N/A | N/A |
| Other Advisory Fees | N/A | N/A | N/A |

There is no arrangement that experts will receive a direct or indirect interest in the Issuer or was a promoter, underwriter, voting trustee, director, officer, or employee of the Issuer.

The Independent Auditors were appointed in 2020 through board resolution dated August 10, 2020, in 2021 through a board resolution dated December 20, 2021 and in 2022 through a board resolution dated May 5, 2022. 2022 Audit related fees as amended for performance of circle-up procedures and issuance of comfort and consent letter was approved through a board resolution dated December 1, 2022.

FINANCIAL INFORMATION

The following pages set forth Ovialand's audited financial statements as at 31 December 2022 and for each of the three years in the period ended 31 December 2022, 2021, and 2020.