REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
National Office Building
Quezon City

Certificate of Tax Exemption No:
501-LEH-040-2023

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **GENNEXT LAND DEVELOPMENT, INC**, is exempt from income tax and creditable withholding tax on its income received directly in connection with its economic and low-cost housing project, **Carmenchu Heights**, consisting of **111** house and lot units used solely for family home or dwelling purposes, located at Brgy. Duhat, Santa Cruz, Laguna, a project duly registered with the Board of Investments (BOI) under Certificate of Registration No. dated April 27, 2021, for a period of **4** years beginning from **April 1, 2022** to **March 31, 2026**, pursuant to Executive Order (EO) No. 226, otherwise known as the "Omnibus Investments Code of 1987" and Section 2.57.5 (B)(2) of Revenue Regulations (RR) No. 2-98, as amended.

Moreover, the sale by the Company of house and lot and other residential dwellings valued at P3,199,200.00[1] and below, is VAT-exempt under Section 109(1)(P) of the National Internal Revenue Code (Tax Code) of 1997, as amended. The sale of lot only, regardless of the price, shall be subject to VAT pursuant to RA No. 10963.

However, the sale of house and lot units in excess of the 111 house and lot units registered with the BOI, (per Department of Human Settlements and Urban Development (DHSUD) Provisional License to Sell No. dated April 14, 2021 the excess is 3 units), including those units used for commercial purposes such as leasing, retail stores, offices, etc., is not covered by this Certificate of Tax Exemption and shall be subject to the payment of applicable taxes under the Tax Code of 1997, as amended.

The grant of tax exemption herein is subject to the compliance with the provisions of applicable BIR rules and regulations and the Terms and Conditions stated at the back hereof. The Company is liable, however, for all other applicable taxes not discussed above.

This Certificate of Tax Exemption is being issued on the basis of the facts and documents as represented and submitted. However, if upon investigation, the BIR ascertains that the facts are different, then this Certificate shall be considered null and void.

Issued this _____ day of MAY 05 2023, _____.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue
007174

K-1-JAC

[1] As adjusted using the 2010 Consumer Price Index values pursuant to RR No. 8-2021 dated June 11, 2021

CTE No. BOI-LBH-040-2023
Date issued MAY 05 2023

TERMS AND CONDITIONS OF THE CERTIFICATE OF TAX EXEMPTION

1. The exemption from income tax and creditable withholding tax covers only income directly attributable to the revenues generated from the project, **Carmenchu Heights** consisting of **111** house and lot units used solely for family home or dwelling purposes, located at Brgy. , Santa Cruz, Laguna. Such exemption shall not cover revenues from units with selling price exceeding ₱2,000,000.00.

2. The enterprise shall observe the following project timetable.

Activity	Period
Land acquisition	October 2019
Secure necessary license/permit/registration from the government/training costs	January 2021
Site preparation and development	January 2021 – December 2025
Building/House construction	March 2021 – December 2025
Start of Commercial Operations	April 2021

3. In the computation of the project's ITH, the following shall apply:

   a. Only income generated from the sale of housing units (**Carmenchu Heights** – Brgy. Duhat, Santa Cruz, Laguna) with selling price not exceeding PhP2.0M and used solely for family home or dwelling purposes and not for commercial purposes such as leasing, retail stores, offices, etc. shall be qualified.

   b. Interest income from in-house financing shall not be considered as revenues generated from the registered activity.

4. The Company's entitlement to ITH for its BOI-registered housing project is subject to the compliance with the provisions of the Specific Terms and Conditions of its BOI Registration.

5. Pursuant to Section 4 of Republic Act (RA) No. 10708[2], the Company is required to file its tax returns and pay its tax liabilities, on or before the deadline as provided under the Tax Code of 1997, as amended, using the electronic system for filing and payment of taxes of the BIR. It shall file with BOI a complete annual tax incentives report of its income-based tax incentives, VAT and duty exemptions, deductions, credits or exclusions from the tax base, as may be provided under EO 226, within the periods prescribed under RA No. 10708's Implementing Rules and Regulations and Joint Memorandum Circular No. 1-2016 dated September 1, 2016.

6. The Company shall be constituted as a withholding agent for the government if it acts as employer and any of its employees received compensation income subject to compensation withholding tax, or if it makes payments to individuals or corporations subject to the withholding taxes as source as required under Chapter XIII and Section 57 of the Tax Code of 1997, as amended and implemented by RR No. 2-98, as amended.

7. The Company is required to file on or before the 15th day of the fourth month following the close of its accounting period of a Profit and Loss Statement and Balance Sheet with the Annual Information Return under oath, stating its gross income and expenses incurred during the taxable year.

8. Finally, the Company's books of accounts and other pertinent records shall be subject to periodic examination by revenue enforcement officers of this Bureau for the purpose of ascertaining whether it is complying with the conditions under which it has been granted tax exemption or tax incentives and its tax liability, if any, pursuant to Section 235 of the Tax Code of 1997, as amended.

[2] An Act Enhancing Transparency in the Management and Accounting of Tax Incentives Administered by Investment Promotion Agencies.