July 16, 2018

CERTIFICATE OF TAX EXEMPTION NO. 1086-18

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN :

This certifies that **ADMIRAL REALTY COMPANY, INC.**, with Tax Identification Number 000-000-000-000, is exempt from income tax and creditable withholding tax on its income received directly in connection with its low-cost mass housing project, **Admiral Bay Suites**, consisting of **499** units located at East Wing, 2138 Roxas Boulevard, Manila, a project duly registered with the Board of Investments (BOI) under Registration No. 2011-152 dated July 18, 2011, for a period of **3** years beginning from **January 2013** [1] or actual start of commercial operations/selling, whichever is earlier, but in no case earlier than the date of registration of the project with the BOI, pursuant to Executive Order No. 226, otherwise known as the "Omnibus Investments Code of 1987" and Section 2.57.5 (B) (2) of the Revenue Regulations No. 2-98, as amended.

Moreover, the sale by the Company of residential lot valued at P1,919,500.00 and below, or house and lot and other residential dwellings valued at P3,199,200.00 and below, is VAT-exempt under Section 109 (1) (P) of the 1997 Tax Code, as amended. Provided, however, that beginning January 1, 2021 the VAT exemption shall only apply to sale of house and lot and other residential dwellings [2] with selling price of not more than Two Million Pesos (P2,000,000.00).

The sale of residential units in excess of the 499 units, per HLURB License to Sell No. 25077, the excess in 326 units, as well as the seven (7) commercial units and 296 parking slots, are not covered by this Certificate of Tax Exemption and shall be subject to applicable taxes under the 1997 Tax Code, 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, to all other applicable taxes not enumerated 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.

Copyright 2020 CD Technologies Asia, Inc.

Issued this 16th day of July, 2018.

(SGD.) CAESAR R. DULAY
Commissioner of Internal Revenue

ATTACHMENT

TERMS AND CONDITIONS
OF THE CERTIFICATE OF TAX EXEMPTION

1. The exemption from income and creditable withholding taxes covers only income directly attributable to the revenues generated from the project, **Admiral Bay Suites**, consisting of **499** units, located at East Wing, 2138 Roxas Boulevard, Manila. Such exemption shall not cover revenues from units with selling price exceeding P3,000,000.00.

2. The company is obligated to construct and sell housing units based on the following schedules/sales revenues:

Year	Volume (No. of Units)	Value (Php'000)
1	124	_____
2	200	_____
3	175	_____
Total	**499**	_____

3. In the computation of the project's ITH, interest income from in-house financing shall not be considered as part of the revenues generated from the registered housing project.

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, [3] the Company is required to file its tax returns and pay its liabilities, on or before the deadline as provided under the 1997 Tax Code, 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 E.O. 226, within thirty (30) days from the deadline for filing of tax returns and payment of taxes.

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 at source as required under Chapter XIII and Section 57 of the Tax Code of

Copyright 2020 CD Technologies Asia, Inc.

1997, as amended and implemented by *Revenue Regulations (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.

Footnotes

1. The Income Tax Holiday has been moved from January 2013 to December 2011 per SMD letter dated February 2, 2012.
2. Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.
3. An Act Enhancing Transparency in the Management and Accounting of Tax Incentives Administered by Investment Promotion Agencies.

Copyright 2020 CD Technologies Asia, Inc.