



WALL FINANCIAL CORPORATION

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND
RESULTS OF OPERATIONS**

YEAR ENDED JANUARY 31, 2024

April 26, 2024



TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS	1
OVERVIEW	2
RECENT EVENTS	3
STRATEGIES AND RISK MANAGEMENT	4
Strategies	4
Risk Management	4
General Risks	4
Joint Arrangement Risks	4
Industry Risks.....	5
Concentration of Assets Risks	5
Investment Properties.....	5
Hotels	5
Properties Under Development	5
Disease Outbreak	6
Environmental Matters	6
Catastrophic and General Uninsured Losses.....	7
Technology and Information Security	7
SELECTED ANNUAL AND QUARTERLY FINANCIAL INFORMATION	7
OVERALL PERFORMANCE AND QUARTERLY INFORMATION	8
DISCUSSION OF OPERATIONS	9
SUMMARY OF QUARTERLY RESULTS	10
REVENUE-PRODUCING PROPERTIES	11
Residential and Commercial Rentals	11
Acquisitions and Dispositions	11
Hotels.....	11
Fair Value in Excess of Carrying Value	12
DEVELOPMENT PROPERTIES	12
Projects Under Active Development	13
Acquisitions and Dispositions	14
INVESTMENTS	14
BANK INDEBTEDNESS AND CREDIT FACILITIES	14
Properties Under Development.....	14
Investment Properties	14
General Corporate Debt	14
MORTGAGES PAYABLE	14
Investment Properties	15
Property, Plant and Equipment	15
COMMITMENTS AND CONTINGENCIES	15
LIQUIDITY AND FINANCIAL CONDITION	15
DISCLOSURE OF OUTSTANDING SHARE DATA	15
DIVIDENDS	16
CRITICAL ACCOUNTING ESTIMATES.....	16
SIGNIFICANT ACCOUNTING POLICIES	17
INTERNAL CONTROLS OVER FINANCIAL REPORTING.....	17

Wall Financial Corporation
Management's Discussion and Analysis

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT	17
Interest Rate Risk	18
Credit Risk	18
Liquidity Risk	18
OFF-BALANCE SHEET FINANCING	19
TRANSACTIONS BETWEEN RELATED PARTIES	19
CAPITAL MANAGEMENT	20
OUTLOOK FOR OPERATING CONDITIONS	21
Hotel Operations	21
Rental Apartments	21
Development Properties	22
Financing	23
NON-IFRS MEASURES and other financial measures	23
Non-IFRS Financial Measures	23
Non-IFRS Ratios	23

This Management's Discussion and Analysis of Financial Conditions and Results of Operations ("MD&A") of Wall Financial Corporation (the "Company", "we", or "our") is current as of April 26, 2024. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended January 31, 2024 and 2023 (the "Financial Statements"), prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Historical results, including trends which might appear, should not be taken as an indication of future operations or results.

All amounts presented in this MD&A are in Canadian dollars.

The Board of Directors of the Company (the "Board"), on the recommendation of the Audit Committee of the Company, approved the content of this MD&A on April 26, 2024.

The role of the Audit Committee and the Board in respect of the financial information included in this MD&A and the Financial Statements is set out in the Overview section of this MD&A. Additional information relating to the Company, its activities and operations, including the Annual Information Form, is available through the System for Electronic Document Analysis and Retrieval+ website at www.sedarplus.ca.

FORWARD-LOOKING STATEMENTS

Certain information included in this MD&A contains forward-looking statements within the meaning of applicable securities laws including, among others, statements concerning the Company's future objectives, strategies to achieve those objectives, as well as statements with respect to management's plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "anticipate," "believe," "continue," "estimate," "expect," "intent," "objective," "outlook," or "plan," or similar expressions or statements that events, conditions or results "will," "may," "could," or "should" occur or be achieved. Such forward-looking statements reflect management's current beliefs, expectations, estimates, projections, and assumptions that were made in light of management's experience and perception of historical trends, as well as information currently available to management.

This MD&A contains forward-looking statements concerning anticipated changes in revenue and expenses from operations, timing for the commencement and the completion of development projects and renovations, the Company's policy to acquire land for development which is zoned for its intended use, or where the required rezoning is contemplated and encouraged by the governing authorities, government plans to explore or enact legislation and regulations that negatively impact the real estate industry, anticipated timing of the closings of sales and the completion of construction, anticipated timing and approval of rezoning and subdivision applications, anticipated growth, anticipated cost and financing of planned projects, anticipated resources being sufficient to carry the Company's operations through uncertain times, including the ability to rebalance its portfolio in response to changing economic and investment conditions, increases and decreases in demand for rental housing and the resulting impact on vacancies and rents, anticipated increasing operating costs, anticipated fluctuations in interest rates, the Company having sufficient sources of liquidity to cover its cash obligations, the Company being able to convert loans repayable on demand into long-term debt, capital expenditures and investments, increased operating costs and fixed expenses, property acquisitions, development plans, outlook with respect to financing availability and operating and financial conditions, plans to make the necessary capital and operating expenditures to facilitate compliance with environmental laws and other requirements and the impact of those expenditures, providing financial capacity and flexibility to meet the Company's strategic

objectives, prevention and mitigation of the impact of catastrophic loss of life and property through the provision of safe work sites, the repurchase and cancellation of Common Shares pursuant to the 2024 NCIB potential liability for removal and remediation of certain hazardous substances and compliance with various federal, provincial and municipal environmental requirements, safe living areas and maintenance of adequate and cost effective insurance, credit requirements for the current fiscal year, continual evaluation and modification of disclosure controls and procedures and internal controls over financial reporting, compliance with policies and procedures for monitoring and auditing compliance related to information technology, safety of data, and secure storage of physical files, budgeting for an increase of 8-10% in the gross operating margin for fiscal 2025, and the Company striving for higher room rates and to increase catering revenues, the increase in both fixed and variable operating costs, tenant turnover remaining at comparable levels in the coming year and the amount of rent increases to be slightly lower, due to softening demand, progress on approvals for two hi-rise development sites in Downtown Vancouver, timing for completion of the Trails Phase 1B project, progress and milestones for the Company's development projects, and the Company's outlook for operating conditions.

These forward-looking statements are not a guarantee of future performance and are based on the Company's estimates and assumptions, which include, but are not limited to assumptions based on management experience, historical results, current expectations and analyses, trends, government policies, and current business and economic conditions, including the Company's analysis of its business and services and its expectations regarding the effects of anticipated business and service changes and the potential benefits of such efforts and activities on the Company's results of operations in future periods. Forward-looking statements are subject to inherent uncertainties and risks, including, but not limited to general business and economic conditions in the Company's operating regions, the Company's joint-venture operations, local market conditions, adverse government and environmental regulations, national and international economic forces and conditions, local supply and demand, pricing pressures and other competitive factors, the geographic concentration of the Company's assets, failure to maintain properties at a competitive level, seasonal and economic fluctuations in the tourism and hospitality industry, changes in the labour market, increased construction costs, potential environmental remediation responsibilities, results of the Company's ongoing efforts to reduce costs, successfully market its developments for sale, the ability to obtain rezoning and subdivision of certain properties, the availability and terms of financing, interest rate and credit risks, liquidity risks, catastrophic loss, cybersecurity risks, and the changes in market and economic conditions. Consequently, actual results and events may vary significantly from those included in, contemplated or implied by such statements. The Company, except as required by applicable law, undertakes no obligation to publicly update or revise any forward-looking statements.

OVERVIEW

The Company is a real estate investment and development company incorporated under the laws of the Province of British Columbia in January 1969.

All of the Company's current revenue is generated from assets located in the Lower Mainland of British Columbia, with the majority located in Metro Vancouver. The Company's activities are concentrated as follows: development and management of residential and commercial rental units, development and construction of residential housing units for sale and development and management of hotel properties.

The Company is governed by the Board which follows the corporate governance guidelines established for public companies. The Company has a Code of Business Conduct and Ethics, a Disclosure Policy and an Insider Trading Policy. The Board has three committees: the Audit Committee; the Management and Investment Committee; and the Governance and Nomination Committee.

The Audit Committee consists of three directors, all of whom are independent directors. The Audit Committee operates pursuant to the Audit Committee Charter of the Company and meets quarterly to review internal controls and financial disclosure including the Financial Statements and MD&A.

The Management and Investment Committee consists of three directors, all of whom are independent directors. The Management and Investment Committee meets quarterly or as needed to review new development projects, operations and to review and administer agreements related to the participation of related parties in development projects.

The Governance and Nomination Committee consists of two directors, both of whom are independent directors. The Governance and Nomination Committee meets annually and as needed to review the composition and effectiveness of the Board, to review all significant proposed related party transactions for any potential conflict of interest, to monitor and review the Company's Code of Business Conduct and Ethics, and to review and recommend executive compensation.

RECENT EVENTS

On November 29, 2023, the Company purchased one residential strata unit for \$649,000 at 1050 Burrard Street.

On March 1, 2024, the Company purchased one residential strata unit for \$620,000 at 1050 Burrard Street.

On March 25, 2024, the Company purchased one commercial strata unit for \$1,525,000 at 1050 Burrard Street.

On March 14, 2024, the Toronto Stock Exchange (the "TSX") accepted the Company's notice of intention to commence a Normal Course Issuer Bid ("NCIB") which allows the Company to repurchase, at its discretion, up to 672,142 Common Shares in the market or as otherwise permitted by the TSX, subject to normal terms and limitations (the "2024 NCIB"). Common Shares in the authorized share structure of the Company ("Common Shares") purchased by the Company will be cancelled. On March 14, 2024, the Company entered into an Automatic Share Purchase Plan (an "ASPP") with a broker that allows the purchase of Common Shares for cancellation under the 2024 NCIB at any time during predetermined trading blackout periods.

The Company purchased 23,100 Common Shares from February 1, 2024 to March 14, 2024 under the 2023 NCIB (as defined below) at a weighted average price of \$22.30 per Common Share. The Company purchased 22,200 Common Shares from March 18, 2024 to April 26, 2024 under the 2024 NCIB at a weighted average price of \$21.77 per Common Share. The Company cancelled 27,100 Common Shares from February 1, 2024 to April 26, 2024. From February 1, 2023 to April 26, 2024 the Company purchased a total of 180,000 Common Shares under its 2023 NCIB and 2024 NCIB at a weighted average price \$20.08 per share.

On March 31, 2024, the Company repaid the \$100,000,000 Shareholder Loan (as defined below) in full from existing credit facilities.

On April 12 2024, the Company funded an additional payment of \$4,000,000 for an investment property that was initially purchased on January 31, 2023. The purchase agreement had a contingent payment due upon rezoning of the site and the determination of its density. The rezoning was approved in principle in March 2024.

STRATEGIES AND RISK MANAGEMENT

Strategies

The hotel, residential, and commercial properties owned by the Company provide an income stream and capital appreciation that is utilized for acquisitions, investments in development properties, reduction of debt, and payment of dividends to the Company's shareholders. At present, the Company owns and manages 939 hotel units (193 at the Westin Wall Centre, Vancouver Airport, and 746 at the Sheraton Vancouver Wall Centre). It also owns and manages 1,526 residential and commercial rental units located in Metro Vancouver.

The Company develops for sale residential housing units with a primary focus on high-rise multi-family projects. It is the Company's strategy to acquire land for development that is zoned for its intended use or where the required rezoning is contemplated and encouraged by the governing authorities. There are two properties under active development as at January 31, 2024: the Eagle Mountain subdivision in Abbotsford, B.C. and the Trails project in the City of North Vancouver, B.C.

Risk Management

All real estate investments are subject to a degree of risk and uncertainty. In the normal course of its business, the Company is exposed to various risks that could adversely impact the Company's financial condition, results of operations, and the value of the Common Shares. A description of some of these risks and the Company's actions are summarized below. The risks set out below are not the only risks faced by the Company. Other risks and uncertainties may also affect our business, financial condition and results of operations.

General Risks

We are exposed to the micro- and macro-economic conditions that affect the markets in which the Company operates and owns assets. In general, a decline in economic conditions will result in downward pressure on the Company's margins and asset values as a result of lower demand for the services and products offered by the Company. Specifically, the following risks could pose a threat to our ongoing business operations: general inflation and interest rate fluctuations; population growth and migration; job creation and employment patterns; consumer confidence; government policies, regulations and taxation; and availability of credit and financing.

National and international economic forces and conditions will impact the Company's hotel business as a significant portion of the Company's hotel business is from conventions and tourists from across Canada, the U.S., and internationally. The Company adapts its business plan to reflect current conditions and management believes that the Company has sufficient resources to carry its operations through uncertain times.

Joint Arrangement Risks

The Company participates in joint arrangements in the normal course of business that may have an effect on certain assets and businesses. These joint arrangements may involve risks that would not otherwise be present if the third parties were not involved, including the possibility that the partners have different economic or business interests or goals. Also, within these arrangements, the Company may not have sole control of major decisions relating to these assets and businesses, such as: decisions relating to the sale of the assets and businesses; timing and amount of distributions of cash from such entities to the Company and its joint arrangement partners; and capital expenditures.

Industry Risks

Real estate investments are generally subject to varying levels of risk. These risks include changes to general economic conditions, government and environmental regulations, local supply/demand, and competition from other real estate companies. Real estate assets are relatively illiquid in down markets, particularly raw land. As a result, the Company may not be able to rebalance its portfolio (quickly or at all) in response to changing economic or investment conditions. Management attempts to manage these risks by acquiring properties with strong economic and growth indicators, and ensuring the Company has adequate capital and liquidity to enable the Company to deal with fluctuating markets and ongoing changes in the economic environment.

Concentration of Assets Risks

The majority of the Company's assets are located in Metro Vancouver, and are all solely related to the real estate industry in that market. Adverse changes in economic conditions in Metro Vancouver (in general, or in the real estate industry in particular) may have a material adverse effect on the Company's business, cash flows, financial condition and results of operations, and ability to pay dividends. The Metro Vancouver economy is influenced by the demand for new housing in the region, which is primarily impacted by interest rates, growth in employment, migration, and general economic conditions. Various government bodies (including the Canadian federal government, the British Columbia provincial government and the local municipal governments) are exploring or enacting legislation and regulations that are intended to have an impact on the real estate industry, which could result in negative impacts on the Company and its assets.

Investment Properties

Investing in properties involves the risk that the actual performance of these acquisitions may be materially different from the assumptions made in purchasing the properties, which could have a material adverse effect on the Company's business, financial condition, prospects or results of operations. In its operation of residential rental properties, the Company's primary risks are general economic conditions and local market conditions, reduced revenue growth in the event of increased vacancy rates, the inability to increase rental rates due to oversupply, restrictive government legislation or changes to government legislation, and the failure to maintain the properties at a competitive level.

The Company manages these risks by insisting on a high standard of maintenance and invests only in those locations highly desired by tenants. Over the past year, vacancy rates have decreased and rents are increasing on unit turnover. Operating costs such as property taxes, utilities and insurance are increasing.

Hotels

In its hotel operations, the Company is exposed to a variety of risks such as changes in market and economic conditions, an increase in the supply of hotel rooms, currency rate fluctuations, and changes in the labour market. These risks are managed by securing long-term relationships with clients, developing and enhancing relationships with international hotel chains and their reservation systems, and ensuring a strong and open relationship with staff.

Properties Under Development

There are a variety of risks associated with the Company's development activities such as municipal regulatory requirements and environmental considerations that affect the approvals for planning, subdivision and use of land. During this period, the market conditions in general and/or the market for condominium units in the size and price range of the Company's developments may change dramatically. Other risks include increasing costs of construction, reduced demand for new residential units, changes in

regulations and taxes, and general market risk. The Company is also subject to risk that the actual performance of properties acquired by the Company may be materially different from the assumptions made by management of the Company when purchasing the properties.

The Company manages the risks associated with its development activities as follows:

- Acquiring land for development that is zoned for its proposed use or where the required re-zoning is contemplated and encouraged by the governing authorities.
- Managing construction costs through fixed-price contracts with general contractors or sub-contractors.
- Undertaking pre-sale programs where feasible and securing the sales with non-refundable deposits.
- Encouraging purchasers to secure and lock-in purchase financing.

Disease Outbreak

A local, regional, national or international outbreak of a contagious disease, or any other illness could result in: a general or acute decline in economic activity in the regions the Company operates in; a decrease in the willingness of the general population to travel; staff shortages; reduced tenant traffic; mobility restrictions and other quarantine measures; supply shortages; increased government regulation; and the quarantine or contamination of one or more of the Company's apartment units, hotels or buildings. Contagion in one of the Company's buildings or a market in which the Company operates could negatively impact the Company's occupancy, its reputation or attractiveness of that market. Public health crises, pandemics and epidemics could also adversely impact the Company's tenants' ability to meet their payment obligations, impact the ability of purchasers of units to satisfy their purchase obligations or disrupt supply chains and transactional activities that are important to the Company's construction and development activities, in addition to negatively impacting local, national or global economies. To mitigate this risk, management closely monitors all evolving disease outbreaks, epidemics or pandemics, and proactively raises its level of preparedness planning to adapt its operations as risk levels rise.

Environmental Matters

As an owner of real property, the Company is subject to various federal, provincial and municipal laws, and other requirements relating to environmental matters. Under such requirements, the Company could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous substances. The failure to remove or remediate such substances, if any, could adversely affect the Company's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in the Company incurring expenses, including in connection with orders or claims against the Company. The Company is not aware of any material non-compliance with environmental requirements at any of its properties or otherwise affecting the Company or its business. The Company is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties or otherwise affecting the Company or its business or any pending or threatened claims relating to environmental conditions at its properties or otherwise affecting the Company or its business. The Company has policies and procedures to review, monitor, and manage environmental exposure.

The Company plans to make the necessary capital and operating expenditures to facilitate compliance with environmental laws and other requirements. Although there can be no assurances, the Company does not believe that costs relating to environmental matters will have a material adverse effect on the Company's business, financial condition or results of operations. Moreover, environmental laws and other requirements can change and the Company may become subject to more stringent environmental laws and other requirements in the future, including those related to greenhouse gas emission reduction.

Compliance with more stringent environmental laws and other requirements could have an adverse effect on the Company's business, financial condition or results of operation.

Catastrophic and General Uninsured Losses

A catastrophic loss includes the loss of or extreme damage to a property or portfolio of properties, loss of life, or disability that could have a material adverse effect on the Company's business, financial condition, prospects, results of operations or reputation. A significant injury, loss of life or damage to property could be a result of accidents incurred by employees, contractors or residents due to an unsafe work environment, unsafe properties, lack of appropriate safety precautions or natural disasters, beyond the control of the Company, such as fire, flood or earthquakes. The Company aims to prevent and mitigate the impact of catastrophic loss of life or property by continuing to provide safe work sites for employees and contractors and providing safe living areas for residents by adhering to the Company's occupational health and safety standards. The Company intends to mitigate the financial impact of potential losses by maintaining an adequate and cost-effective insurance program for the operation of the Company's business.

The Company carries General Liability and All Risks Property coverage including Business Interruption and Rental Income, with policy specifications, limits, and deductibles customarily carried for similar properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. The Company's insurance is subject to certain policy limits, deductibles, and self-insurance arrangements, and will continue to carry such insurance if it is economical to do so. Should an uninsured or underinsured loss occur, the Company could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but the Company would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

Technology and Information Security

The Company is subject to technology and information security risk, including the risk that confidential information held by the Company is stolen or accessed causing financing or personal harm to the affected individual(s) or the Company's business. Additionally, cyber-attacks could cause disruption of operations or data corruption or result in remediation costs, additional regulatory scrutiny, litigation, and reputational damage. The Company is also subject to risks related to reliance on key personnel and catastrophic and general uninsured loss. The Company reduces this risk through enhancement of policies and procedures, and monitoring and auditing to ensure compliance related to information technology, safety of data, and secure storage of physical files.

A summary of the financial risks that arise from the Company's financial assets and liabilities are summarized under the "Financial Instruments and Risk Management" section in this MD&A.

SELECTED ANNUAL AND QUARTERLY FINANCIAL INFORMATION

The following is a summary of the Company's financial information for the three months and years ended January 31, 2024, 2023, and 2022:

Statements of Earnings	Three months ended January 31			Year ended January 31		
	2024	2023	2022	2024	2023	2022
Total revenue and other income	\$ 33,273,854	\$ 30,920,469	\$ 29,566,882	\$ 156,449,544	\$ 144,726,718	\$ 241,546,354
Net earnings attributable to shareholders of the Company	551,495	1,659,786	729,736	22,233,339	48,206,620	14,614,710
Earnings per share	0.02	0.05	0.03	0.69	1.49	0.45

Statements of Financial Position	January 31, 2024	January 31, 2023	January 31, 2022
Total assets	\$ 896,277,758	\$ 874,728,957	\$ 874,063,426
Total non-current liabilities	344,969,288	351,635,100	277,821,380
Dividends paid	97,360,095	-	-
Dividends paid per share	3.00	-	-

The variations in the financial data provided above are discussed in greater detail under "Discussion of Operations" in this MD&A.

Significant variations with respect to revenue are typically the result of the timing and quantity of residential and commercial unit sales closing at the development properties. The fluctuations in the total assets owned by the Company are predominantly the result of development activities undertaken by the Company. Total assets and non-current liabilities are also impacted by the acquisitions and dispositions of investment properties, which the Company manages and reviews on an ongoing basis to maximize value for shareholders. Dividends fluctuate as the Company has a flexible dividend policy. The amount and timing of dividends will be based on the Company's availability of and need for cash flow.

OVERALL PERFORMANCE AND QUARTERLY INFORMATION

The Company operates in three different segments of the real estate industry: ownership and management of residential and commercial rental properties (referred to as investment properties); the development and sale of residential housing (referred to as development properties); and the ownership and management of hotel properties (referred to as property, plant and equipment).

The charts below show the Company's property holdings at January 31, 2024 and revenue derived from such segments for the year ended January 31, 2024.



Revenue	Three months ended January 31		Year ended January 31	
	2024	2023	2024	2023
Investment properties (Rental)	\$ 11,698,690	\$ 10,398,162	\$ 45,020,415	\$ 39,565,643
Property, plant, and equipment (Hotel)	20,352,911	19,892,035	107,869,631	85,449,814
	32,051,601	30,290,197	152,890,046	125,015,457
Properties under development for sale	540,222	434,153	2,313,128	19,336,721
	\$ 32,591,823	\$ 30,724,350	\$ 155,203,174	\$ 144,352,178

Earnings (loss) before income taxes and non-controlling interest	Three months ended January 31		Year ended January 31	
	2024	2023	2024	2023
Investment properties (Rental)	\$ 2,554,636	\$ 1,957,572	\$ 8,897,526	\$ 38,682,061
Property, plant, and equipment (Hotel)	2,173,031	2,822,710	32,966,025	23,306,709
	4,727,667	4,780,282	41,863,551	61,988,770
Properties under development for sale	(1,308,408)	399,813	(1,929,600)	5,076,666
Corporate expenses including interest expense	(2,722,106)	(2,038,852)	(10,847,232)	(5,167,187)
	\$ 697,153	\$ 3,141,243	\$ 29,086,719	\$ 61,898,249

Revenue from investment properties in the year ended January 31, 2024 increased from the prior year due to acquisitions of investment properties in the prior year, a decrease in vacancy rates, and increased rents on tenant turnover.

Revenue and earnings from property, plant and equipment (hotels) are higher during the three months ended January 31, 2024 compared to the prior period due to a higher average daily rate ("ADR")¹. Revenue and earnings for the year ended January 31, 2024 were higher compared to the prior year due to higher occupancy² and a higher ADR at both of the Company's hotels.

Revenue and earnings from properties under development for sale during the year ended January 31, 2024 were lower than the prior year due to the closing of 15 units at Ivy on the Park in the prior year.

DISCUSSION OF OPERATIONS

For the three months ended January 31, 2024, the Company earned revenue of \$32,591,823 (2023 - \$30,724,350) with a gross margin of \$11,543,995 (2023 - \$11,397,391). For the year ended January 31, 2024, the Company earned revenue of \$155,203,174 (2023 - \$144,352,178) with a gross margin of \$71,765,442 (2023 - \$63,394,271).

Revenue and gross margin in the three months and year ended January 31, 2024 were higher than the prior periods due to an increase in Investment property revenue and hotel revenue offset by a decrease in revenue from properties under development for sale.

General and administrative costs for the three months and year ended January 31, 2024 were \$1,595,365 (2023 - \$1,827,379) and \$4,194,821 (2023 - \$4,718,463), respectively. General and administrative costs were lower than the prior periods due to the capitalization of professional fees to developments during the year ended January 31, 2024.

Depreciation and amortization expense for the three months and year ended January 31, 2024 was \$3,179,242 (2023 - \$2,578,448) and \$12,777,312 (2023 - \$14,204,231), respectively. The increase for the three months ended January 31, 2024 compared to the prior period was due to depreciation on additions

¹ ADR is the average daily rate, which represents the average rental income per paid occupied room in a given time period. ADR is calculated by dividing the room revenue earned by the numbers of rooms sold.

² Occupancy (%) is calculated by dividing the total number of rooms occupied by the total number of rooms available.

during the period. The decrease for the year ended January 31, 2024 compared to the prior year was due to assets that were fully depreciated in the prior year.

Investment and other income for the three months and year ended January 31, 2024 was \$682,031 (2023 - \$196,119) and \$1,246,370 (2023 - \$374,540), respectively. Investment and other income are predominantly due to interest earned on surplus funds.

Finance expense for the three months and year ended January 31, 2024 was \$6,754,267 (2023 - \$4,046,440) and \$26,952,960 (2023 - \$13,288,424), respectively. Finance expense for the three months ended January 31, 2024 includes interest expense of \$7,843,979 (2023 - \$6,073,374) less interest of \$1,089,713 (2023 - \$2,165,562) capitalized to the development projects. Finance expense for the year ended January 31, 2024 includes interest expense of \$30,962,979 (2023 - \$19,921,429) less interest of \$4,010,019 (2023 - \$7,279,297) capitalized to the development projects. Finance expense for the three months and year ended January 31, 2024 is higher than the prior periods due to higher interest rates and a higher average level of outstanding debt.

SUMMARY OF QUARTERLY RESULTS

The following sets forth certain financial information expressed in Canadian dollars for the Company with respect to the eight most recently completed quarterly periods. This information should be read in conjunction with the applicable condensed consolidated interim financial statements and notes thereto and the applicable management's discussion and analysis.

	Revenue and Other Income	Net Earnings*	Per Share**
January 31, 2024	\$ 33,273,854	\$ 551,495	\$ 0.02
October 31, 2023	45,659,404	9,773,021	0.30
July 31, 2023	45,018,996	9,178,082	0.29
April 30, 2023	32,497,290	2,730,741	0.08
January 31, 2023	30,920,469	1,659,786	0.05
October 31, 2022	39,879,077	7,233,196	0.22
July 31, 2022	41,018,707	9,314,113	0.29
April 30, 2022	32,908,465	29,999,525	0.92

All the financial data above is prepared in accordance with IFRS, using the same accounting policies and methods of application as described in notes 2 and 3 of the Financial Statements.

* Net earnings pertains to net earnings (diluted and non-diluted) and comprehensive income attributable to shareholders of the Company.

** Per Share pertains to net earnings per share (diluted and non-diluted) attributable to shareholders of the Company.

Variations over the quarters are generally the result of the timing of residential and commercial unit closings at the development properties and seasonal and economic fluctuations characteristic of the tourism and hospitality industry in which the Company's hotels operate. Fluctuations in earnings for the quarters are also impacted by the timing of sales and marketing expenses incurred at the Company's development projects, which are expensed as they are incurred.

Revenue and other income³ as well as net earnings for the quarters ended October 31, 2023, July 31, 2023, October 31 2022 and July 31, 2022 were greater than the other quarters due to improved performance at

³ Revenue and other income means gross revenue plus investment and other income. Revenue and other income can be calculated by taking revenue and adding investment and other income which is directly disclosed in the Company's Financial Statements. Management believes that this measure is useful for investors to evaluate the Company's performance, its ability to generate cash flows and its financial condition.

the Company's hotels. Net earnings for the quarter ended April 30, 2022 were greater than the other quarters due to the sale of an investment property. Net earnings for the quarter ended January 31, 2024 was due to lower earnings from development properties.

REVENUE-PRODUCING PROPERTIES

Residential and Commercial Rentals

As at January 31, 2024, the Company owned and managed 1,505 residential units and 21 commercial units in 17 properties in Metro Vancouver.

Revenue from residential and commercial rental units were \$11,698,690 (2023 - \$10,398,162) for the three months ended January 31, 2024 with net earnings of \$2,554,636 (2023 - \$1,957,572). Revenue from residential and commercial rental units were \$45,020,415 (2023 - \$39,565,643) for the year ended January 31, 2024 with net earnings of \$8,897,526 (2023 - \$38,682,061). Net earnings for the year ended January 31, 2023 included a gain on the sale of asset of \$30,340,556.

All residential units are leased primarily for a one-year term and all residential leasing arrangements are governed by the Residential Tenancy Act (British Columbia), which requires that fixed term residential tenancies automatically become month-to-month at the end of their term. Historically, rental rates may be increased to the maximum percentage equal to the British Columbia's Consumer Price Index on the anniversary date of each tenant's date of occupancy. Effective January 1, 2024, the provincial government confirmed that for existing tenants, rent increases of no more than 3.5% may be issued. On tenant turnover, rental rates are determined by the landlord, typically at current market rates.

Acquisitions and Dispositions

During the year ended January 31, 2024, the Company purchased three residential strata units and one commercial strata unit for \$3,303,900. March 1, 2024, the Company purchased a residential strata unit \$620,000. On March 25, 2024, the Company purchased one commercial strata unit for \$1,525,000. On April 12, 2024, the Company paid an additional payment of \$4,000,000 on an investment property that had a contingent additional payment due upon rezoning of the site and the determination of its density.

Hotels

The Company owns and manages two hotel properties in Metro Vancouver: the Sheraton Vancouver Wall Centre Hotel ("Wall Centre Downtown") and The Westin Wall Centre Vancouver Airport ("Wall Centre Richmond").

The combined revenue for the hotel properties for the three months and year ended January 31, 2024 were \$20,352,911 (2023 - \$19,892,035) and \$107,869,631 (2023 - \$85,449,814) respectively. Earnings for the three months and year ended January 31, 2024 before income taxes from hotel operations were \$2,173,031 (2023 - \$2,822,710) and \$32,966,025 (2023 - \$23,306,709), respectively. The increase in revenue for the three months ended January 31, 2024 compared to the prior period was due to higher ADR. The increase in revenue and earnings for the year ended January 31, 2024 was due to higher ADR and occupancy rates.

The Wall Centre Downtown is the largest single hotel property in British Columbia with 746 guestrooms and 45,000 sq. ft. of meeting space. During the three months ended January 31, 2024, revenue was \$15,923,413 (2023 - \$16,003,785) with occupancy of 71.3% (2023 - 74.2%) and an ADR of \$212 (2023 -

\$196). During the year ended January 31, 2024, revenue was \$86,490,085 (2023 - \$68,594,541) with occupancy of 83.4% (2023 – 80.1%) and an ADR of \$283 (2023 - \$230).

The Wall Centre Richmond is located near the Vancouver International Airport and consists of 193 guestrooms and 9,900 sq. ft. of meeting space. During the three months ended January 31, 2024, revenue was \$4,429,497 (2023 - \$3,888,250) with occupancy of 83.1% (2023 – 87.3%) and an ADR of \$218 (2023 - \$189). During the year ended January 31, 2024, revenue was \$21,379,546 (2023 - \$16,855,273) with occupancy of 87.3% (2023 – 86.7%) and an ADR of \$274 (2023 - \$221).

Fair Value in Excess of Carrying Value

Management has estimated the fair value in excess of carrying value⁴ of its revenue-producing properties as at January 31, 2024 and 2023 are as follows:

As at January 31, 2024	Residential and Commercial Rentals	Hotels	Total
Fair Value	\$ 1,249,897,000	\$ 746,902,000	\$ 1,996,799,000
Carrying value	575,550,820	107,009,955	682,560,775
Fair value in excess of carrying value	\$ 674,346,180	\$ 639,892,045	\$ 1,314,238,225
Fair value in excess of carrying value per share			\$ 40.66

As at January 31, 2023	Residential and Commercial Rentals	Hotels	Total
Fair Value	\$ 1,238,781,000	\$ 625,000,000	\$ 1,863,781,000
Carrying value	572,195,378	108,961,472	681,156,850
Fair value in excess of carrying value	\$ 666,585,622	\$ 516,038,528	\$ 1,182,624,150
Fair value in excess of carrying value per share			\$ 36.44

The fair values have been determined internally by management, in conjunction with independent real estate valuation experts using recognized valuation techniques.

DEVELOPMENT PROPERTIES

The asset value of properties under development for sale increased from \$151,395,224 as at January 31, 2023 to \$174,814,095 as at January 31, 2024 due to the purchase of 12 residential strata units and development costs incurred.

Losses before taxes from properties under development for the three months and year ended January 31, 2024 were \$1,308,408 (2023 - earnings of \$399,813) and \$1,929,600 (2023 – earnings of \$5,076,666).

⁴ Fair value and fair value in excess of carrying value are non-IFRS financial measures, and fair value in excess of carrying value per share is a non-IFRS ratio, under National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure and do not have directly comparable IFRS measures. Fair value in excess of carrying value per share means fair value in excess of carrying value divided by the number of shares outstanding as at January 31, 2024 (32,318,665) and January 31, 2023 (32,453,365). Fair value in excess of carrying value per share does not contemplate transactions costs, tax liabilities, and other related costs if the properties were to be sold. Fair value in excess of carrying value as at January 31, 2024 was calculated by taking fair value internally determined by management and subtracting the carrying value of investment properties and property, plant, and equipment which is directly disclosed in the Financial Statements. Management believes that these measures are useful for investors to evaluate the Company's financial condition. See "Non-IFRS Measures and Other Financial Measures".

Earnings in the current periods were lower than the prior periods due to carrying costs being expensed in the current periods and the sale of condominium units at Ivy on the Park in the prior year.

Projects Under Active Development

Properties Under Development Completed Over the Past Three Fiscal Years:

Project	Description	Fiscal Year
Ivy on the Park	A development with 226 residential units located at the University of British Columbia in Vancouver, B.C. Sales of all units closed as of January 31, 2023	2023
Trails North Vancouver (1A)	The first phase consists of 31 townhome and low-rise residential units. All units for Phase 1A closed as of January 31, 2023.	2023

The Company has two projects under active development as at January 31, 2024:

Project	Description	Estimated Cost to Complete
Eagle Mountain	<p>An 80-acre, single-family subdivision property in Abbotsford B.C. with approvals in place for 262 building lots. The property is being developed with a 15% non-controlling interest partner. Development is being phased.</p> <p>There are 74 lots in Phases 7 and 8 of which 66 can be sold. Of the 66 lots, 65 sales have closed and one is unsold.</p> <p>A rezoning application has been submitted for the final phase which proposes approximately 55 single family building lots in addition to the 262 noted above.</p>	<p>\$9,847,000</p> <p>(Phase 7/8/9)</p>
Trails North Vancouver	<p>On April 13, 2017, the Company, along with other investors, acquired a property located in North Vancouver, B.C. for a gross purchase price of \$138,500,000 to develop approximately 307 residential units. The Company has a 42.86% interest. Development and construction will be conducted in several phases.</p> <p>Phase 1B consists of 48 strata units with completion expected in May 2024.</p> <p>The Company has a 57.14% interest in Phase 2. Phase 2 is being developed as two strata rental properties. As this property is held to earn rental income, the carrying value is included in Investment Properties.</p>	<p>\$2,842,000</p> <p>(Phase 1B)</p>

Acquisitions and Dispositions

On April 14, 2023, the Company purchased 12 residential strata units for \$6,800,000.

INVESTMENTS

There are no significant changes in investment activities or investment strategies for the three months and year ended January 31, 2024.

BANK INDEBTEDNESS AND CREDIT FACILITIES

As at January 31, 2024 and 2023, the Company was in compliance with its loan covenants.

Properties Under Development

As at January 31, 2024, the Company has borrowed \$64,838,245 (2023 - \$50,835,884) on available construction financing facilities in the form of Canadian dollar prime rate loans and bankers' acceptances. The maximum available funding under such facilities is \$69,455,000 (2023 - \$68,302,065).

The credit facilities are secured by first mortgages on the related properties under development. The borrowings are due on demand.

Investment Properties

As at January 31, 2024, the Company has borrowed \$79,600,000 (2023 - \$87,950,000) on available credit and construction financing facilities in the form of Canadian dollar prime rate loans and bankers' acceptances. The maximum available funding under such facilities is \$79,600,000 (2023 - \$90,015,000).

The credit facilities are secured by first mortgages and assignment of rents on the related properties. The borrowings are due on demand.

General Corporate Debt

The Company's general corporate borrowings decreased from \$5,057,069 at January 31, 2023 to \$2,647,013 at January 31, 2024. These facilities are made available by way of lines of credit with a maximum available aggregate amount of \$168,049,000 (2023 - \$144,733,000).

This debt is secured by fixed and floating demand debentures, second mortgages, and an assignment of rents on certain investment properties, and property, plant, and equipment. The borrowings are due on demand and interest rates are based on a spread over prime or banker acceptance rates.

On March 3, 2023, the Company entered into an amended credit facility increasing its previous availability of \$7,000,000 to \$35,000,000. The amended facility bears interest of prime plus 0.65% or the bankers' acceptance stamping fee of 2.15%.

MORTGAGES PAYABLE

Mortgages payable net of deferred financing fees decreased from \$396,106,941 as at January 31, 2023 to \$386,763,669 as at January 31, 2024. All mortgages are secured by first charges over the Company's investment properties and property, plant and equipment as well as an assignment of rents and insurance proceeds.

Investment Properties

Mortgages payable on investment properties decreased from \$351,806,645 as at January 31, 2023 to \$344,857,258 at January 31, 2024 due to scheduled principal payments. As at January 31, 2024, these mortgages bear interest at fixed rates ranging from 1.48% to 4.80% (2023 – 1.48% to 3.77%) with one variable rate mortgage at 7.8% (2023 – 7.3%).

Property, Plant and Equipment

Mortgages payable on property, plant and equipment decreased from \$51,984,416 as at January 31, 2023 to \$49,199,995 as at January 31, 2024. This decrease is due to scheduled principal payments. As at January 31, 2024, this mortgage bears interest at 7.65% (2023 – 6.90%).

COMMITMENTS AND CONTINGENCIES

The Company has entered into hotel franchise agreements in respect of its two hotel properties, with one maturing June 30, 2034 and the other maturing March 31, 2030. Fees paid are calculated based on a percentage of monthly gross hotel revenues and are paid monthly.

As at January 31, 2024, the estimated costs to complete properties under construction are approximately \$12,689,000 (2023 - \$16,750,000). These costs predominantly reflect construction expenditures for the development projects.

LIQUIDITY AND FINANCIAL CONDITION

Cash and cash equivalents decreased \$2,624,049 from \$25,412,793 as at January 31, 2023 to \$22,788,744 as at January 31, 2024.

Net cash provided from operating activities for the year ended January 31, 2024 was \$14,222,003 (2023 - \$44,739,272). Additions to development properties were \$21,949,336 (2023 - \$3,959,638). The Company paid interest of \$29,900,617 (2023 - \$19,714,944) and income taxes of \$8,962,360 (2023 - \$1,460,935).

Cash used in investing activities for the year ended January 31, 2024 was \$13,090,986 (2023 - cash provided was \$5,298,849). Cash used in investing in the current year consisted of additions to investment properties of \$8,193,054 and additions to property, plant, and equipment of \$3,437,250. Cash provided in the prior year consisted of additions to investment properties of \$56,654,201 and property, plant and equipment additions of \$2,137,710 offset by cash proceeds of \$64,016,434 from the sale of investment property.

Cash used in financing activities for the year ended January 31, 2024 was a net amount of \$3,755,066 due to a dividend payment of \$97,360,095 and mortgage payable payments of \$9,733,808. This was offset by proceeds from the Shareholder Loan of \$100,000,000. Cash used in financing activities for the year ended January 31, 2023 was \$44,739,144 due to mortgage payable payments of \$45,046,173, the net repayment of shareholder loans of \$20,000,000 and the repayment of bank and other indebtedness of \$9,425,195. This was offset by mortgage proceeds of \$46,208,974.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized capital of the Company consists of 54,000,000 Common Shares without par value. The number of Common Shares issued and outstanding as at January 31, 2024 was 32,318,665.

On March 10, 2023, the TSX accepted the Company's notice of intention to commence a NCIB which allowed the Company to repurchase, at its discretion, up to 688,362 Common Shares in the market or as

otherwise permitted by the TSX, subject to normal terms and limitations (the "2023 NCIB"). Common Shares purchased by the Company under the 2023 NCIB were cancelled. On March 15, 2023, the Company entered into an ASPP with a broker that allowed the purchase of Common Shares for cancellation under the 2023 NCIB at any time during predetermined trading blackout periods. During the year ended January 31, 2024, the Company purchased and cancelled 134,700 Common Shares at a weighted average price of \$19.42 per share for \$2,643,953 including transaction costs under the 2023 NCIB.

On March 14, 2024, the TSX accepted the Company's notice of intention to commence the 2024 NCIB which allows the Company to repurchase, at its discretion, up to 672,142 Common Shares in the market or as otherwise permitted by the TSX, subject to normal terms and limitations. Common Shares purchased by the Company will be cancelled. On March 14, 2024, the Company entered into an ASPP with a broker that allows the purchase of Common Shares for cancellation under the 2024 NCIB at any time during predetermined trading blackout periods.

The Company purchased 23,100 Common Shares from February 1, 2024 to March 14, 2024 under the 2023 NCIB at a weighted average price of \$22.30 per share. The Company purchased 22,200 Common Shares from March 18, 2024 to April 26, 2024 under its 2024 NCIB at a weighted average price of \$21.77 per share. The Company cancelled 27,100 Common Shares from February 1, 2024 to April 26, 2024. From February 1, 2023 to April 26, 2024 the Company purchased a total of 180,000 Common Shares under its 2023 NCIB and 2024 NCIB at a weighted average price \$20.08 per share.

At the Company's annual general meeting on May 29, 2008, the shareholders approved the Company's Stock Option Plan (2008) (the "Stock Option Plan"). Under the Stock Option Plan, options may be granted to any director, officer or employee of the Company. The number of Common Shares reserved for all purposes under the Stock Option Plan is 3,200,000, which represented approximately 10% of the Company's total issued and outstanding Common Shares at the date of approval.

The exercise price of an option will not be less than the price at which the last recorded sale of a board lot of Common Shares took place on the TSX during the trading day immediately preceding the date of grant. If there was no such sale, the exercise price will be the volume-weighted average trading price on the TSX for the Common Shares for the five trading days immediately preceding the date of the grant.

During the year ended January 31, 2024, no options were granted and 1,310,000 Common Shares are available for future issuance under the Stock Option Plan.

DIVIDENDS

The Company has a flexible dividend policy, and the amount and timing of dividends is based on the cash flow of the Company and the cash flow required by the Company to meet planned growth and to fund future developments and investments.

On February 3, 2023, the Company declared a cash dividend of \$3.00 per Common Share to holders of record of the Common Shares on February 17, 2023 for a total dividend payment of \$97,360,095 on March 3, 2023.

CRITICAL ACCOUNTING ESTIMATES

The preparation of Financial Statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements, and the reported amounts of revenues and expenses during the reporting period. The Company's significant accounting estimates and judgements are

described in note 2 to the Financial Statements, and the Company's significant accounting policies are described in note 3 to the Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies and standards are described in note 3 of the Financial Statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures within the Company have been designed to provide reasonable assurance that all relevant information is identified to senior management to ensure appropriate and timely decisions are made regarding public disclosure. The Company's management, including the President, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), have designed internal controls over financial reporting (as defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings) to provide reasonable assurance regarding the reliability of the Company's financial reporting and its preparation of financial statements for external purposes in accordance with IFRS.

Under the supervision of the President, the CEO and the CFO, the operating effectiveness of the disclosure controls and procedures and internal control over financial reporting were assessed using the criteria set forth by the Integrated Framework issued by the Committee of Sponsoring Organization of the Treadway Commission in Internal Control Over Financial Reporting. Based on these evaluations, the CEO and the CFO concluded that as at January 31, 2024:

- (i) Disclosure controls and procedures were effective to provide reasonable assurance that material information was made known to management and information required to be disclosed by the Company in its annual filings, interim filings and other reports filed by the Company under securities legislations was recorded, processed, summarized and reported within the periods specified in securities legislation.
- (ii) Internal controls over financial reporting were effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

For the year ended January 31, 2024, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. The Company's management will continue to periodically evaluate the Company's disclosure controls and procedures and internal control over financial reporting and will make any modifications from time to time as deemed necessary.

Based on their inherent limitations, disclosure controls and procedures and internal control over financial reporting may not prevent or detect misstatements, and even those controls determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at January 31, 2024, the Company's financial assets and liabilities consisted primarily of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, mortgages payable, deposits on real estate sales, the Shareholder Loan, and bank and other indebtedness. These financial instruments

relate to the Company's normal course of business, with respect to the financing of its day-to-day operations, capital expenditures and acquisitions.

The carrying values of the Company's amounts receivable, deposits on real estate sales, accounts payable and accrued liabilities generally approximate their fair values due to their short-term nature. The face value of bank and other indebtedness and the Shareholder Loan approximates their fair values, as they are due on demand. The fair value of mortgages payable is estimated by discounting the future contractual cash flows at the market interest rate that is available to the Company for similar financial instruments. The fair value of the mortgages payable as at January 31, 2024 was \$374,207,000 (2023 - \$382,926,000).

The Company is exposed to interest rate and credit risks associated with its financial assets and liabilities. Management continually performs risk assessments to ensure that all significant risks related to the Company's operations have been reviewed and assessed to reflect changes in market conditions and the Company's operating activities. The Company does not enter into financial instrument arrangements for speculative purposes.

Interest Rate Risk

Certain debt on the Company's properties bears interest at floating rates. Fluctuations in interest rates will impact the cost of financing incurred in the future. The Company monitors its interest rate exposure on an ongoing basis.

Based on the debt outstanding at January 31, 2024, management has determined that every 1% increase or decrease in the applicable interest rates results in a corresponding \$2,111,000 decrease or increase in the Company's annual earnings before income taxes.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The maximum exposure to credit risk is the full carrying value of the financial asset.

The Company is exposed to credit risk with respect to amounts receivable. This risk is mitigated by the Company's general policy to secure loan receivables with real estate property. For its hotel operations, the Company's credit policy is designed to ensure there is a standard credit practice throughout the Company to measure and monitor credit risk. The policy outlines delegation of authority, the due diligence process required to approve a new customer or counterparty and the maximum amount of credit exposure per single entity. The Company also regularly monitors credit risk and exposure to any single customer or counterparty.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the maintenance of sufficient available credit facilities to fund ongoing operational and capital requirements.

A centralized treasury function ensures that the Company maintains funding flexibility by assessing future cash flow expectations and by maintaining sufficient headroom on its committed borrowing facilities.

The Company's bank and other indebtedness are repayable on demand, which creates a liquidity risk. The Company uses these loans to finance its development operations, and believes it could convert these loans into long term debt if desired. As at January 31, 2024, the Company was in compliance with its loan

covenants, has made all required principal repayments, and has generated positive cash flow from operations, which are used to fund interest costs associated with the operating loans.

The following table summarizes the Company's contractual obligations including expected interest payments over the next five fiscal years:

As at January 31, 2024	Carrying amount	Total contractual cash flows	Less than one year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	\$ 27,760,946	\$ 27,760,946	\$ 27,760,946	\$ -	\$ -
Bank and other indebtedness	147,085,258	147,085,258	147,085,258	-	-
Mortgages payable	394,057,253	436,567,953	65,467,932	222,385,845	148,714,176
Loan from shareholder	100,000,000	100,000,000	100,000,000	-	-
	\$ 668,903,457	\$ 711,414,157	\$ 340,314,136	\$ 222,385,845	\$ 148,714,176

Based on the performance of the Company to date and the support from its lenders, the Company believes that the liquidity risk described above is manageable and has implemented strategies, including regular monitoring of debt covenants and cash flows in order to support this conclusion.

Over the current fiscal year, the Company's credit requirements consist of the following:

- Capital improvements to certain investment properties which will be funded primarily from operating cash flow.
- Construction financing for properties under development. It is management's policy to not proceed with significant new construction or land purchases if financing commitments are not in place.

OFF-BALANCE SHEET FINANCING

In the normal course of development operations, the Company is required to issue letters of credit to various municipalities (or other beneficiaries) in which its developments are being conducted. These letters of credit are to secure the Company's obligations pursuant to development agreements signed with the beneficiaries and include a wide range of works and services, such as those related to off-site civil works, street lighting, on-site and off-site landscaping, public art, energy standards, and various public amenities. The beneficiaries have the right to call on the letters of credit if the Company defaults on its obligations, which obligates the Company to pay money to the beneficiaries based on terms outlined in the letters of credit.

Under IFRS, these letters of credit are disclosed as commitments of the Company and only recorded on the Consolidated Statements of Financial Position if they are drawn upon. As at January 31, 2024, the Company has total outstanding letters of credit of \$17,385,872 (2023 - \$16,557,225).

TRANSACTIONS BETWEEN RELATED PARTIES

The Company has entered into co-owners' and project participation agreements with PWO Investments Ltd ("PWO"), a wholly owned company of Mr. Peter Wall, a significant shareholder of the Company, and BJW Investments Ltd. ("BJW"), a wholly owned company of Mr. Bruno Wall, the President of the Company (collectively referred to as the "Wall Equity Companies"), with respect to certain properties under development for sale.

The Wall Equity Companies have collectively provided up to 25% of the equity to finance such properties. In the fiscal year 2005, the Company amended its compensation plan and the project participation agreement to reduce the amount of compensation that Mr. Peter Wall and Mr. Bruno Wall receive from the Company and to increase by a corresponding amount the consideration which the Wall Equity

Companies may receive pursuant to the project participation agreement, up to a maximum of 40%. The amendments do not directly or indirectly increase the Company's liabilities, obligations or costs. Non-controlling interest as at January 31, 2024 includes \$1,735,373 (2023 - \$1,708,423) relating to these agreements with the Wall Equity Companies and relate only to one remaining project at Eagle Mountain in Abbotsford.

All other agreements entered into with any related party will be based on a profit share in proportion to their capital investment in the respective projects.

As at January 31, 2024, non-controlling interests in the Trails North Vancouver project, a property located in North Vancouver, B.C., excluding Phase 2 totaled \$40,173,769 (2023 - \$40,069,808), and includes the interest held by BJW in the amount of \$10,043,443 (2023 - \$10,017,452), and by MCR Projects Ltd. ("MCR"), a wholly-owned company of Mr. Michael Redekop, a director of the Company in the amount of \$3,013,057 (2023 - \$3,005,255).

As at January 31, 2024, the Company's interest in Trails Phase 2 totaled 57.14%. Non-controlling interests relating to Trails Phase 2 totaled \$2,829,861 (2023 - \$1,624,332), and includes the interest held by BJW in the amount of \$943,299 (2023 - \$541,442), and by MCR in the amount of \$282,990 (2023 - \$162,433).

As discussed under "Development Properties" in this MD&A, BJW holds a 25% interest in the Ivy on the Park project on leased land at the University of British Columbia. As at January 31, 2024, this interest represents \$95,074 (2023 - \$3,647,008).

In February 2016, the Company leased premises at the Wall Centre Downtown (the "Premise") to 1062682 BC Ltd. (the "Tenant"), a wholly-owned company of Mr. Peter Wall, for a term of 10 years commencing on April 1, 2016. Under this agreement, the Tenant pays a base rent of \$14,286 per month. The Tenant is responsible for its operating costs, while the Company is responsible for property taxes and utilities in respect of the Premise.

On September 1, 2023, the Company received a loan of \$100,000,000 from PWO (the "Shareholder Loan"). The purpose of the loan was to reduce interest carrying costs. The Shareholder Loan was secured by charges over property, plant and equipment and bears interest at 4.0% per annum. Interest was payable monthly and the Shareholder Loan was due on demand with 30 days' notice. Interest expense for the year ended January 31, 2024 on the Shareholder Loan was \$1,666,667. On March 31, 2024, the Company repaid the Shareholder Loan and accrued interest of \$1,000,000. Total interest paid on the Shareholder Loan was \$2,666,667.

As at January 31, 2024, a note receivable of \$nil (2023 - \$3,573,402) was due from BJW. In relation to the project participation agreements, on February 1, 2023, the Company made distributions to BJW which was settled in full with the note receivable.

These transactions are in the normal course of business and are measured at the exchange amount of consideration established and agreed to by the related parties. In management's opinion, the exchange amount approximates fair market value.

CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to provide financial capacity and flexibility to meet its strategic objectives.

The Company's liquidity needs are for development costs, potential property acquisitions, scheduled debt maturities and non-recurring capital expenditures. The Company's strategy is to meet these needs with one or more of the following: cash flow from operations; credit facilities and refinancing opportunities.

The following schedule details the components of the Company's capital:

	January 31, 2024	January 31, 2023
Liabilities:		
Bank and other indebtedness	\$ 147,085,258	\$ 143,842,953
Mortgages payable	386,763,669	396,106,941
Loan from shareholder	100,000,000	-
Shareholders' equity:		
Share capital	24,099,401	24,099,401
Non-controlling interest	49,979,875	52,149,452
Total capital	\$ 707,928,203	\$ 616,198,747

As at January 31, 2024, the Company was in compliance with its loan covenants, has made all required principal repayments, and has generated positive cash flow from its rental and hotel operations, which are used to fund interest cost associated with the operating loans.

OUTLOOK FOR OPERATING CONDITIONS

Hotel Operations

We achieved our best ever results for the Hotels with a gross margin \$8,261,326 (27.5%) higher than the fiscal year ended January 31, 2023. This was achieved through both higher occupancy levels and significantly higher room rates. Catering revenues remain slightly below pre-pandemic levels.

For fiscal 2025, we are budgeting for an increase of 8-10% in the gross operating margin as we continue to strive for higher room rates and to increase catering revenues.

Operating costs however, both fixed and variable, are also increasing significantly. Property taxes, for example, will be up by 17% over two years. Wages and benefits costs will be rising due to both inflationary pressures and a shortage of qualified workers.

Rental Apartments

Revenues for the completed fiscal year increased by 13.7% over the previous year as demand for rental units remained very strong. Most of the increase was due to increasing rents on turnover. Operating costs increased by 12.97% primarily due to property tax and insurance coverage increases across all properties.

We anticipate tenant turnover to remain at comparable levels in the coming year and the amount of rent increases to be slightly lower as demand is softening slightly and more of our units are now closer to market rents. We are permitted to increase rents for existing tenants by 3.5% in 2024.

We are making good progress on approvals for two hi-rise rental development sites in downtown Vancouver:

1290 Hornby Street; we have received our Development Permit with conditions for a 216 unit 32 storey tower and expect to be ready to commence with on site development/construction in early 2025 subject to arranging financing.

1065 Pacific; we received rezoning approval in March, 2024 for a 179-unit 30 storey tower. Anticipate final approvals and construction commencement by mid, 2025.

Development Properties

We have one development that is currently offering units for sale, Trails Phase 1B with 48 townhome style units. To date, we have 11 firm sales and 4 subject sales. Project completion is expected in May, 2024.

We are continuing to progress with approvals for our various development sites:

1. 1290 Hornby Street, Vancouver
 - A Development Permit application proposing 179,000 sq. ft. of strata residential area with 216 strata rental units has been approved.
 - Anticipate a Building Permit in late 2024 and to commence with site work and construction in early 2025.
 - Wall Centre Burnaby, Hastings Street between Sperling and Kensington Avenues
 - The Master Site Plan for this 10.5-acre site proposing a developable building area of approx. 1,870,000 sq. ft. was submitted in late 2023.
 - We anticipate approval by late 2024. The project will consist of market strata units, market rental units, affordable rental units and approx. 330,000 sq. ft. of commercial space.
2. Eagle Mountain, Abbotsford
 - The Company submitted a subdivision application for an additional 54 lots and has received preliminary lot approval. Serviced lots should be ready by late 2024 or early 2025 and offered for sale thereafter.
3. Broadway & Fraser Street, Vancouver
 - A rezoning application proposing a strata residential tower of 121,000 sq. ft. and 120 strata units and 22 social housing units together with approx. 4,700 sq. ft. of ground floor commercial space was submitted in March, 2024. We anticipate approval by April, 2025.
4. 1045 West 14th Avenue, Vancouver
 - This historical asset of 50 rental apartments is located within the recently approved Broadway Plan. A rezoning application proposing approx. 149,000 sq. ft. of residential rental area and 202 dedicated rental units was submitted in December, 2023. We anticipate approval by March, 2025.
5. 325 East 6th Avenue, Vancouver
 - The Company will acquire this development site in May, 2024.
 - A rezoning application proposing a strata residential tower of 109,000 sq. ft. and 109 strata units and 22 social housing units will be submitted in May, 2024. We anticipate approval in July, 2025.
6. 1065 Pacific Avenue, Vancouver
 - This site is improved with a 30-unit, 1960's era rental apartment building. The Company submitted a rezoning application in December, 2022 proposing a 30-storey tower of 179 dedicated rental units, of which 36 will be affordable rentals.

- Rezoning approval in principal was achieved in March, 2024 and we will be submitting a Development Permit application in July/August, 2024.
7. Maple Place, Surrey
- This is a historical asset of 250 garden style rental apartments on a 7.7-acre property in the Guildford area of Surrey. Following extensive discussions with staff, we are finalizing a redevelopment application proposing mid-to-hi-rise residential buildings with approx. 1,535 units.
8. Crofton Manor at West 41st Ave, Kerrisdale, Vancouver
- The Company anticipates submitting a rezoning application for this 4.5-acre site within the next 12 months.
9. Trails Future Phases, North Vancouver
- We have had extensive discussions with City of N. Vancouver planning staff on options for increased height and density on the remaining vacant parcels.
 - In March, 2024, Council authorized staff to move forward with further discussions with us leading to a complete rezoning application.
 - Objective is to have this application submitted by September, 2024.

Financing

The Company's credit facilities are all in good standing.

NON-IFRS MEASURES AND OTHER FINANCIAL MEASURES

The Company has included certain non-IFRS financial measures and ratios, as described below, in this MD&A. Management believes these non-IFRS financial measures and ratios are relevant measures to monitor and evaluate the Company's financial performance and value the Company's assets. These non-IFRS financial measures and ratios are not standardized financial measures or ratios and do not have directly comparable IFRS measures or ratios, and therefore may not be comparable to measures used by other issuers in the real estate industry. They are included to provide investors and management additional information for assessing the Company's performance and should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS.

Non-IFRS Financial Measures

Fair value: fair value is internally determined by management either internally, or in conjunction with independent real estate valuation experts using recognized valuation techniques.

Fair value in excess of carrying value: fair value in excess of carrying value is calculated by taking the fair value and subtracting the carrying value of investment properties and property, plant, and equipment, which is directly disclosed in the Financial Statements.

Non-IFRS Ratios

Fair value in excess of carrying value per share: fair value in excess of carrying value per share is calculated by taking the fair value in excess of carrying value divided by the number of share outstanding as at January 31, 2024 and 2023.