

COVER SHEET

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SEC REGISTRATION NUMBER										

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(Company Name)

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

B. Grant L. Cheng										
Contact Person										

032-231-4870										
Company Telephone Number										

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17-A										
Form Type										

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Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc		

Amended Articles Number/Section										

Total No. of Stockholders										

Total Amount of Borrowings										
Domestic										
Foreign										

To be accomplished by SEC Personnel concerned

File Number									

LCU										

Document I.D.									

Cashier										

SEC Number: CS200321240
File Number: _____

CEBU LANDMASTERS, INC.

(Company's Full Name)

**10TH FLOOR, PARK CENTRALE TOWER
JOSE MA. DEL MAR ST., B2 L3
CEBU IT PARK, BRGY. APAS
CEBU CITY, PHILIPPINES 6000**

(Company Address)

(032) 231-4870

(Telephone Number)

December 31, 2024

(Fiscal Year Ended)

**SEC Form 17-A
Annual Report**

(Form Type)

-

(Amendments)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED
ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2024**
2. SEC Identification Number **CS200321240**
3. BIR Tax Identification No. **227-599-320**
4. Exact name of issuer as specified in its charter **CEBU LANDMASTERS, INC**
5. Province, Country or other jurisdiction of incorporation or organization **CEBU CITY, CEBU, PHILIPPINES**
6. Industry Classification Code (SEC Use Only)
7. Address of principal office
10TH FLOOR, PARK CENTRALE TOWER, JOSE MA. DEL MAR ST., B2 L3 CEBU IT PARK, BRGY. APAS, CEBU CITY, PHILIPPINES Postal Code **6000**
8. Issuer's telephone number, including area code **(032) 231-4870**
9. Former name, former address, and former fiscal year, if changed since last report
Not Applicable
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares Issued and Registered
Common Shares - Outstanding	3,465,201,467
Preferred Shares	4,280,340
Common Shares - Treasury	158,250,530

11. Are any or all of these securities listed on a Stock Exchange.

Yes [X] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

Stock Exchange: **Philippine Stock Exchange**

Securities listed: **Common Shares and Preferred Shares**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [X] No []

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [X] No []

13. Aggregate market value of the voting stock held by non-affiliates: **P8,559,047,623** as of December 31, 2024

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SIGNATURES

PART I – BUSINESS AND GENERAL INFORMATION

ITEM 1. DESCRIPTION OF BUSINESS

Business Development

CLI is the leading residential developer in VisMin. The Company's story commenced with a vision to provide quality homes for everyday Filipinos. Jose R. Soberano III founded CLI and incorporated the Company on September 26, 2003. On June 2, 2017, the Company was listed on the PSE with "CLI" as its ticker symbol. A total of 430,000,000 shares were issued and fully subscribed at ₱5.00 per share. CLI's initial public offering was instrumental in this growth, as it raised ₱2.15 billion of fresh capital from investors – boosting its expansion in new locations and fueling its various projects.

As of December 31, 2024, CLI has a total of 125 projects in different development stages and established a diverse portfolio of residences, offices, hotels, mixed-use properties, and townships across 17 key cities in the VisMin region.

In 2024, an independent study by Colliers International reaffirmed CLI's leading position in the VisMin residential market. The study identified CLI as the top residential developer in the region, having the largest market share among real estate firms. With a 19% overall residential share in net take-up value, CLI continues to grow market share in key VisMin cities, indicating increasing consumer confidence and recognition in the market.

This success was further validated at the PropertyGuru Philippines Property Awards, where CLI was named Best Developer in Mindanao for the fourth consecutive year, among other notable awards and commendations from various institutions. The Company's commitment to high governance standards was also acknowledged with a 2 Golden Arrow award from the ICD for the second year running, further reinforcing CLI's reputation for sound corporate governance.

CLI's vision extends beyond the present accomplishments. The Company remains steadfast in its pursuit of expansion and innovation. CLI's robust growth strategies aim to further solidify its market leadership, foster strategic partnerships, and explore new avenues for sustainable development and community enhancement.

Business of the Issuer

The Company's operating segments are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets:

- Real Estate Segment – covers the development and sale of residential, condotel and office units to individual and corporate buyers.
- Rental Segment – includes leasing of office and commercial spaces to corporate organizations.
- Management Services Segment – focuses on the management of real estate projects and upkeep services to condominium corporations and homeowners' associations.
- Hotel Operations Segment – related to the management of hotel business operations that caters to hotel guests and condotel owners.

The following table sets forth each segment's contribution to the Company's total revenues for the years ended December 31, 2024, 2023, and 2022:

Business Segment	For the years ended December 31					
	2024		2023		2022	
	In ₱	%	In ₱	%	In ₱	%
Real Estate	18,508,302,086	98.35%	15,439,136,362	98.61%	10,996,247,695	98.51%
Hotel Operations	138,551,300	0.74%	83,418,279	0.53%	48,683,577	0.44%
Rental	112,343,856	0.60%	79,277,559	0.51%	74,272,000	0.67%
Management Services	59,216,126	0.31%	55,465,803	0.35%	42,967,412	0.38%
Total	18,818,413,368	100.00%	15,657,298,003	100.00%	11,162,170,684	100.00%

As of December 31, 2024, residential projects made up the majority of the Company's operations and project portfolio. Real estate revenues recorded a significant 10% y-o-y increase in revenue to ₱12.46 billion from ₱11.31 billion. Higher construction progress, commercial lot sales and more units that qualified for revenue recognition were the drivers for the improvement.

The Company's fastest growing and most popular brand is Casa Mira Series, catered specifically to the economic market, which reported a revenue of ₱5.00 billion, driven by Casa Mira South Ph3A2, Casa Mira Towers LPU Davao, Casa Mira Iloilo, Casa Mira Towers CDO, and Casa Mira Towers Mandaue.

Another established brand of CLI that targets the mid-market is the Garden Series. Subdivisions under this brand are called Velmiro, while condominium projects are known as Garden Residences. Revenue from the said segment grew 10% y-o-y from ₱3.30 billion to ₱3.63 billion. This increase was mainly attributable to The East Village, the first residential project of CLI's Davao Global Township ("DGT") and Mandra Residences in Cebu.

CLI's Premier Masters, catered to the premier market, are high-end developments which are in prime urban areas, offering a holistic lifestyle and world-class living. This segment recorded revenues of ₱3.94 billion, an increase of 63% y-o-y from ₱2.40 billion mainly driven by Costa Mira Beachtown Mactan, Costa Mira Panglao, Calle 104 in Cebu, Citadines Paragon in Davao, and One Paragon Place also in Davao.

The Company mainly caters to domestic demand but also captures some foreign customers. The following table approximates the sales mix per nationality:

Nationality	%
Filipino	95%
American	2.64%
Australian	0.07%
British	0.41%

Canadian	0.07%
Chinese	0.07%
Colombian	0.14%
French	0.07%
Hong Kong	0.07%
Japanese	0.14%
Korean	0.20%
Moldovan	0.07%
New Zealand	0.20%
Panamanian	0.07%
Singaporean	0.34%
Swiss	0.20%
Arab	0.20%
Italian	0.07%
Total	100%

Strengthening leadership in the Visayas and Mindanao Region

CLI has rapidly grown from its humble beginnings on a single three (3)-hectare land in Balamban. The Company has evolved into a fully integrated real estate developer with a growing, highly varied portfolio of residences, offices, retail spaces, hotels, mixed-use developments, and townships spanning VisMin.

The Company has successfully expanded its residential offerings into the high-end segment with the Premier Masters selections. Its lineup of premium projects includes high-rises such as Base Line Premier, 38 Park Avenue, Astra Center, and Paragon Center, that are designed for holistic living in prime urban locations. Garden Series, which promises open spaces and well-designed homes like Mivela Garden and Velmiro Greens Bohol cater to the middle market. Casa Mira remains to be the Company's flagship business as it caters to the affordable and economic housing sector where demand is most robust and persistent. The Villa Casita line serves the socialized housing market. In 2023, CLI introduced its newest market segment called "Mirani". This brand is designed to cater to the more affordable housing segment with a price range of around ₱1.90 to ₱2.90 million. In June 2023, CLI launched Mirani Steps in Danao, its pioneer project under the newest brand. The project has sold out by 48.37% within three (3) months of launch.

In 2024, Cebu Landmasters, Inc. (CLI) marked a dynamic year of expansion with the launch of several key residential developments across the Visayas and Mindanao. These include *Casa Mira Homes Butuan*, the Company's first project Butuan, marking the Company's strategic entrance in the Caraga Region. CLI also added additional towers on existing projects, *Casa Mira Towers Palawan (Tower 5)* and *East Village (Tower 6)*. CLI also launched into new areas in Davao with its *Velmiro Heights Davao*, one of the Company's fastest-selling projects which sold out in just two days. And to end the year, CLI launched *North Grove at Pristina Town*, a garden-themed condominium nestled in the heart of Cebu City. Together, these launches reinforce CLI's commitment to delivering quality, value-for-money homes for Filipinos across key growth cities in the VisMin region.



In 2021, CLI signed a Memorandum of Agreement (“**MOA**”) to acquire 14.3 hectares of Xavier University – Ateneo de Cagayan’s Manresa Property in uptown CDO. Proceeds of CLI’s purchase was used by Xavier University to develop the new Xavier University Masterson Campus. CLI plans to build developments as an essential part of the master plan, integrated into this university community. The new 21-hectare Xavier University Masterson Campus is envisioned to catalyze further development of CDO as Northern Mindanao’s education hub with a sustainable and New Normal-ready Campus Master Plan. In 2023, CLI obtained the ECC from the DENR to proceed with the development. Land development is currently underway, while construction is forecasted to be completed by the third quarter of 2025.



Furthermore, the Company is actively engaged in ongoing negotiations with landowners in Cebu, Iloilo and Bacolod, underscoring its commitment to fortify its presence in estate developments. This proactive approach reflects the Company’s strategic vision for more estate development projects in the future.

Distribution methods of the products or services

Residential products from the Company are offered to a broad variety of customers by several sales teams and accredited brokers and agents.

CLI has one of the industry-leading sales support teams. With over 73 sales support personnel, this team collaborates, coordinates, and supports the over 11,000-strong accredited broker/agent network of CLI. This is CLI’s strategy in working harmoniously with the seller community by assisting the brokers 24/7 from sales origination to closing and working with these brokers to address any client inquiries.

Completed Projects

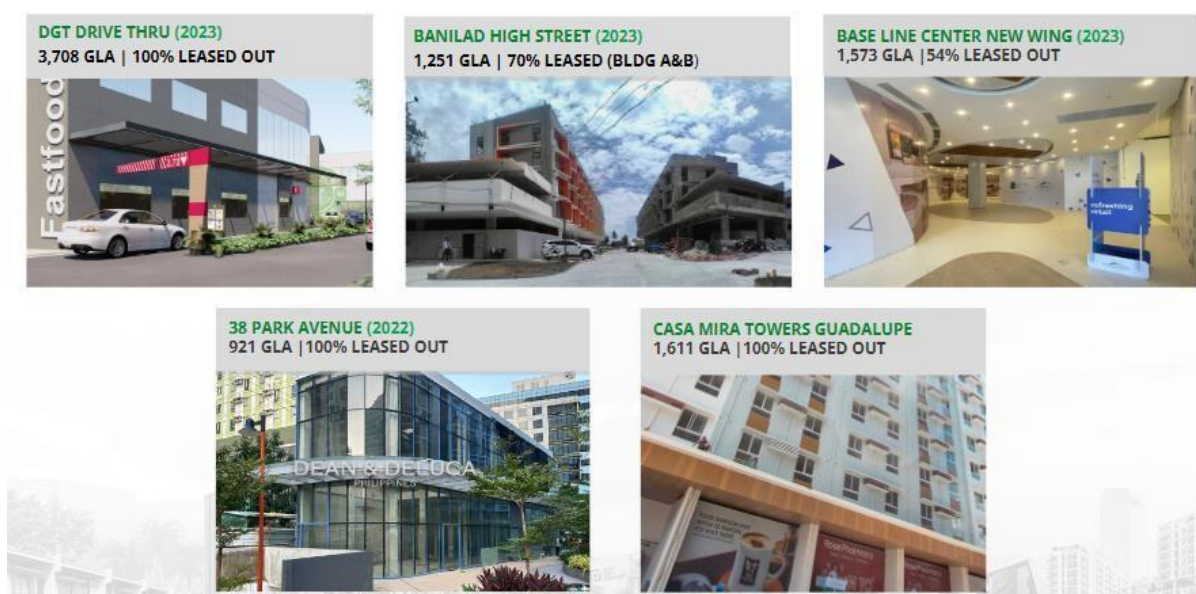
Vertical and horizontal residential, mixed-use, office, hotel, and retail projects make up the 52 completed developments of the Company.

CLI has successfully completed 45 residential projects in Cebu, Bacolod, CDO, and Davao. One of these projects, the three (3)-tower MesaVerte Garden Residences, marked its first expansion outside of its base in Cebu, and it was turned over in 2020. Other projects, such as MesaTierra Garden Residences in Davao, MesaVirre Garden Residences A & B in Bacolod, and 38 Park Avenue in Cebu, among others, started their buyer turnovers in 2021 and 2022. Throughout the year, CLI has been turning over projects in Cebu, including Casa Mira Towers Guadalupe, Baseline Prestige, and Mivela Tower 1. As of September 30, 2024, its completed residential developments were 98% sold out.

In addition to its residential developments, the Company owns three (3) operational office buildings and various leasable spaces, with Park Centrale in IT Park, Cebu serving as its headquarters. This development has maintained full occupancy since completion and received the prestigious Best Commercial Development in Cebu award from the Philippine Property Awards in 2014.

Latitude Corporate Center, a 24-storey structure completed in 2020, stands tall in the heart of Cebu's business district. Benefiting from the return of sectors like IT-BPO from work-from-home arrangements to office spaces, the Company is confident that this 5-Star BERDE-certified green building is positioned well to meet such a rebound.

In terms of retail, for the year 2024, CLI significantly expanded its GLA to 40,575 sq.m., a 13% increase from 35,772 sq.m. in 2023. This growth is attributed to the successful turnover of Banilad Highstreet, 38 Park Avenue retail, Baseline Center phase 2, and Drive-Thru spaces in Davao Global Township.



With the goal of diversifying its portfolio, the Company entered the hospitality sector in 2019 with the opening of Citadines Cebu City, a 180-room serviced residence in partnership with The Ascott Limited as the hotel manager. Situated strategically within the Company's mixed-use lifestyle hub, Base Line Center, this project reflects CLI's strategy to broaden its product scope and create reinforcing value across business units.

As of December 31, 2024, the Company's completed projects are 97% sold-out, with only ₱3.69 billion remaining in inventory in terms of sales value. Looking ahead, CLI is preparing to grow

within the VisMin real estate market, with plans to introduce new projects in key locations, expand into new markets, and cater to diverse demographics.

No.	Project	Location	Construction	Type	Use	No. of Units	Sold Units	Completion
1	San Jose Maria Village – Balamban	Balamban, Cebu	Horizontal	Residential	Garden Series	231	223	2006
2	San Jose Maria Village – Minglanilla	Minglanilla, Cebu	Horizontal	Residential	Garden Series	145	145	2008
3	San Jose Maria Village – Talisay	Talisay City, Cebu	Horizontal	Residential	Garden Series	96	96	2012
4	San Jose Maria Village – Toledo	Toledo City, Cebu	Horizontal	Residential	Garden Series	144	106	2010
5	Villa Casita Balamban	Balamban, Cebu	Horizontal	Residential	Villa Casita	101	98	2015
6	Midori Plains	Minglanilla, Cebu	Horizontal	Residential	Garden Series	370	370	2014
7	Asia Premier Residences	Cebu City	Vertical	Residential	Premier Masters	88	88	2012
8	Base Line Residences	Cebu City	Vertical	Residential	Premier Masters	201	201	2013
9	Midori Residences	Mandaue City, Cebu	Vertical	Residential	Garden Series	396	396	2014
10	Park Centrale Tower	Cebu City	Vertical	Office	Office	55	55	2015
11	Mivesa Garden Residences (Phase 1)	Cebu City	Vertical	Residential	Garden Series	479	473	2016
12	Mivesa Garden Residences (Phase 2)	Cebu City	Vertical	Residential	Garden Series	458	451	2016
13	Velmiro Heights (Phase 1)	Minglanilla, Cebu	Horizontal	Residential	Garden Series	348	347	2016
14	Casa Mira Linao (Phase 1 and 2)	Minglanilla, Cebu	Horizontal	Residential	Casa Mira	725	725	2016
15	Casa Mira Towers Labangon Tower 1	Cebu City	Vertical	Residential	Casa Mira	272	272	2018
16	Casa Mira Towers Labangon Tower 2	Cebu City	Vertical	Residential	Casa Mira	414	412	2019
17	Casa Mira South Phase 1A	Naga, Cebu	Horizontal	Residential	Casa Mira	342	342	2018
18	Casa Mira South Phase 1B	Naga, Cebu	Horizontal	Residential	Casa Mira	667	666	2018
19	Casa Mira South	Naga, Cebu	Horizontal	Residential	Casa Mira	494	493	2019

	Phase 2A							
20	Casa Mira South Phase 2B	Naga, Cebu	Horizontal	Residential	Casa Mira	250	249	2019
21	MesaVerte Residences Tower 1	CDO City, Misamis Oriental	Vertical	Residential	Garden Series	252	250	2019
22	MesaVerte Residences Tower 2	CDO City, Misamis Oriental	Vertical	Residential	Garden Series	252	252	2019
23	MesaVerte Residences Tower 3	CDO City, Misamis Oriental	Vertical	Residential	Garden Series	294	291	2019
24	Base Line Retail	Cebu City	Vertical	Mixed-Use	Retail	-	-	-
25	Citadines Cebu City	Cebu City	Vertical	Hospitality	Hotel	5,918 sq.m	-	2019
26	*Citadines Cebu City	Cebu City	Vertical	Residential	Garden Series	74	74	2019
27	Base Line HQ	Cebu City	Vertical	Office	Office	60	60	2019
28	Base Line Premier	Cebu City	Vertical	Residential	Premier Masters	379	379	2019
29	Guadalupe Pinamalayan	Mindoro	Horizontal	Residential	Villa Casita	338	291	2019
30	Latitude Corporate Center	Cebu City	Vertical	Office	Office	70	58	2020
31	Villa Casita North	Bogo City, Cebu	Horizontal	Residential	Villa Casita	663	658	2020
32	Mivesa Garden Residences (Phase 3)	Cebu City	Vertical	Residential	Garden Series	576	575	2020
33	MesaTierra Garden Residences	Davao City	Vertical	Residential	Garden Series	677	661	2021
34	Casa Mira Coast	Dumaguete City	Horizontal	Residential	Casa Mira	543	543	2021
35	MesaVirre Building A	Bacolod City, Negros Occidental	Vertical	Residential	Garden Series	294	290	2021
36	MesaVirre Building B	Bacolod City, Negros Occidental	Vertical	Residential	Garden Series	442	431	2021
37	Davao Global Township	Davao City	Estate	Townships	Estate	-	-	2023
38	Velmiro Uptown CDO	CDO City, Misamis Oriental	Horizontal	Residential	Garden Series	395	391	2023
39	Base Line Prestige	Cebu City	Vertical	Residential	Premier Masters	351	351	2023

40	MesaVirre Building C	Bacolod City, Negros Occidental	Vertical	Residential	Garden Series	336	296	2023
41	38 Park Avenue	Cebu City	Vertical	Residential	Premier Masters	764	723	2023
42	The Park @ 38 Park Avenue	Cebu City	Vertical	Mixed-Use	Retail	1,899 sq.m	-	2023
43	Velmiro Plains Bacolod	Bacolod City, Negros Occidental	Horizontal	Residential	Garden Series	342	312	2023
44	Casa Mira Bacolod	Bacolod City, Negros Occidental	Horizontal	Residential	Casa Mira	431	319	2023
45	Velmiro Greens Bohol (Phase 1)	Dauis, Bohol	Horizontal	Residential	Garden Series	204	198	2023
46	Casa Mira Iloilo	Iloilo City, Panay	Horizontal	Residential	Casa Mira	1109	1012	2023
47	Casa Mira South (Phase 3B)	Naga, Cebu	Horizontal	Residential	Casa Mira	454	454	2023
48	Casa Mira Towers Guadalupe T1	Cebu City	Vertical	Residential	Casa Mira	544	532	2023
49	Casa Mira South (Phase 3A)	Naga, Cebu	Horizontal	Residential	Casa Mira	162	162	2023
50	Base Line Lyf Hotel	Cebu City	Vertical	Hospitality	Hotel	159	-	2023
51	The Pad	Banilad, Cebu	Vertical	Hospitality	Dorm	258	-	2023
52	Citadines Bacolod	Bacolod City, Negros Occidental	Vertical	Hospitality	Hotel	200		2024

Notes:

* Citadines Cebu City has a total of 180 condotel units with 74 units sold and the rest retained for the Company's recurring income portfolio.

Ongoing Projects (under construction)

CLI has 73 ongoing projects in various stages of construction as of the third quarter of 2024. These projects are spread out over 17 key cities in the VisMin region.

Among the projects that are currently being developed, 54 of these have a total project sales value of ₱92.42 billion. These projects have 23,634 units of which 95% were already sold and the aggregate sales value of remaining inventory amounts to ₱7.50 billion. CLI prioritizes a strategy of selling projects at high velocity, with a quick turnover of its developments, and swift movement from pre-selling to construction and delivery. Continuing sales efforts are being made to sell out the projects as they get closer to completion. The Company leverages on this market absorption of its products to cultivate the 1,795 accredited REBs and 11,000 sales agents across the VisMin region who continuously support CLI.

Investing in capital to support recurring revenue from both hospitality and leasing businesses is one of the strategies that CLI is currently aggressively pursuing while banking on the region's future growth. CLI's long-term strategy is to build up its office, retail, and hospitality portfolio's

GLA to 200,000 sq.m. – eventually contributing to 10% of the growing top line within the next five (5) years.

The Company is currently constructing six (6) hospitality projects with a total of 1,198 room keys, and various office and commercial projects totaling a GLA of over 70,000 sq.m. More projects are in the pipeline at the planning and design stage to meet CLI's strategy to continue its build-up of its recurring income portfolio.

No .	Project	Location	Construction	Type	Use	No. of Units	Sold Units	% of completion	Completion Date
1	Astra Lifestyle Mall	Mandaue City, Cebu	Vertical	Mixed-Use	Retail	13,464 sq.m.	-	75%	2025
2	Banilad High Street Retail	Banilad, Cebu	Vertical	Mixed-Use	Commercial	1,033 sq.m		98%	2025
3	Casa Mira Dumaguete (Phase 1)	Dumaguete City, Negros Oriental	Horizontal	Residential	Casa Mira	517	517	99%	2025
4	Casa Mira Linao (Phase 3)	Minglanilla, Cebu	Horizontal	Residential	Casa Mira	126	125	99%	2025
5	Casa Mira Ormoc	Ormoc	Horizontal	Residential	Casa Mira	685	685	95%	2025
6	Casa Mira South Phase 3A.2	Naga, Cebu	Horizontal	Residential	Casa Mira	437	434	97%	2025
7	Casa Mira South Phase 4A	Naga, Cebu	Horizontal	Residential	Casa Mira	229	195	99%	2025
8	Casa Mira South Phase 4B.1	Naga, Cebu	Horizontal	Residential	Casa Mira	198	197	90%	2025
9	Casa Mira South Phase 4B.2	Naga, Cebu	Horizontal	Residential	Casa Mira	174	158	95%	2025
10	Casa Mira Towers - Bacolod	Bacolod City, Negros Occidental	Vertical	Residential	Casa Mira	706	703	90%	2025
11	Casa Mira Towers CDO Tower 1	CDO City, Misamis Oriental	Vertical	Residential	Casa Mira	444	443	97%	2025
12	Casa Mira Towers CDO Tower 2	CDO City, Misamis Oriental	Vertical	Residential	Casa Mira	542	542	97%	2025
13	Casa Mira Towers Guadalupe T2	Cebu City	Vertical	Residential	Casa Mira	234	231	99%	2025
14	Casa Mira Towers LPU	Davao City	Vertical	Residential	Casa Mira	930	930	99%	2025
15	Casa Mira Towers Mandaue (Phase 1)	Mandaue City, Cebu	Vertical	Residential	Casa Mira	821	698	99%	2025
16	Casa Mira Towers Mandaue Tower 2	Mandaue City, Cebu	Vertical	Residential	Casa Mira	407	360	95%	2025
17	Citadines Paragon	Davao City	Vertical	Residential	Premier Masters	188	184	99%	2025
18	DGT Pavilion & Retail pods	Davao City	Vertical	Mixed-Use	Commercial	4,398 sq.m.			2025

19	Mivela Garden Residences	Cebu City	Vertical	Residential	Garden Series	1,585	1479	99%	2025
20	One Astra Place Residences 1	Mandaue City, Cebu	Vertical	Residential	Premier Masters	478	478	99%	2025
21	One Paragon Convention Center	Davao City	Vertical	Mixed-Use	Retail	2,252 sq.m.		99%	2025
22	One Paragon Place	Davao City	Vertical	Residential	Premier Masters	554	551	99%	2025
23	Radisson Red	Mandaue City, Cebu	Vertical	Hospitality	Hotel	144		77%	2025
24	Velmiro Heights CDO	CDO City, Misamis Oriental	Horizontal	Residential	Garden Series	518	509	85%	2025
25	Abaca Resort	Mactan, Cebu	Vertical	Hospitality	Resort	125		48%	2025
26	Astra Corporate Center	Mandaue City, Cebu	Vertical	Office	Office	66	12	97%	2025
27	Casa Mira Towers Guadalupe T3	Cebu City	Vertical	Residential	Casa Mira	453	452	96%	2025
28	Citadines Paragon	Davao City	Vertical	Hospitality	Hotel	263		99%	2025
29	LPU Town Davao	Davao City	Vertical	Mixed-Use	Commercial	0			2025
30	Magspeak Mountain Resort	Balamban, Cebu	Horizontal	Hospitality	Resort	32		5%	2025
31	Mandtra Residences T1	Mandaue City, Cebu	Vertical	Residential	Garden Series	595	564	85%	2025
32	Mandtra Residences T3	Mandaue City, Cebu	Vertical	Residential	Garden Series	599	536	80%	2025
33	One Astra Place Residences 2	Mandaue City, Cebu	Vertical	Residential	Premier Masters	533	533	97%	2025
34	Patria de Cebu Hotel	Cebu City	Vertical	Hospitality	Hotel	167		53%	2025
35	Patria de Cebu Office	Cebu City	Vertical	Office	Office	4,562 sq.m		53%	2025
36	Patria Plaza	Cebu City	Vertical	Mixed-Use	Commercial	1,772 sq.m		53%	2025
37	Terranza Residences	Iloilo City	Vertical	Residential	Premier Masters	600	597	85%	2025
38	Costa Mira Beachtown Mactan	Mactan, Cebu	Vertical	Residential	Premier Masters	659	659	85%	2026
39	Masters' Tower	CBP Cebu	Vertical	Office	Office	4,886 sq.m		50%	2026
40	Masters' Tower Retail	CBP Cebu	Vertical	Mixed-Use	Commercial	300 sq.m		50%	2026
41	Sofitel Cebu	CBP Cebu	Vertical	Hospitality	Hotel	195			2026
42	Calle 104 Retail	Cebu City	Vertical	Mixed-Use	Commercial	4,784 sq.m		55%	2027
43	CALLE 104 T1 (RAMOS)	Cebu City	Vertical	Residential	Garden Series	325	325	55%	2027
44	CALLE 104 T2 (RANUDO)	Cebu City	Vertical	Residential	Premier Masters	192	186	55%	2027

45	Casa Mira Dumaguete Ph2	Dumaguete City, Negros Oriental	Horizontal	Residential	Casa Mira	87	87	80%	2027
46	Casa Mira Homes Danao	Danao, Cebu	Horizontal	Residential	Casa Mira	595	595	50%	2027
47	Casa Mira Homes Davao	Davao City	Horizontal	Residential	Casa Mira	806	806	71%	2027
48	Casa Mira Towers Bacolod T3	Bacolod City, Negros Occidental	Vertical	Residential	Casa Mira	327	327	63%	2027
49	Casa Mira Towers Palawan T1	Puerto Princesa, Palawan	Vertical	Residential	Casa Mira	227	226	55%	2027
50	Casa Mira Towers Palawan T2	Puerto Princesa, Palawan	Vertical	Residential	Casa Mira	253	253	55%	2027
51	Casa Mira Towers Palawan T3	Puerto Princesa, Palawan	Vertical	Residential	Casa Mira	241	239	47%	2027
52	COSTA MIRA BEACHTOWN PANGLAO T1- T2	Dauis Panglao Island, Bohol	Vertical	Residential	Premier Masters	692	629	50%	2027
53	East Village T1	Davao City	Vertical	Residential	Garden Series	414	409	80%	2027
54	East Village T2	Davao City	Vertical	Residential	Garden Series	314	311	80%	2027
55	East Village T3	Davao City	Vertical	Residential	Garden Series	359	358	77%	2027
56	East Village T4	Davao City	Vertical	Residential	Garden Series	387	387	77%	2027
57	Velmiro Bohol Expansion Ph2	Dauis, Bohol	Horizontal	Residential	Garden Series	52	52	55%	2027
58	Casa Mira Towers Mandaue T1	Mandaue City, Cebu	Vertical	Residential	Casa Mira	256	96	81%	2028
59	CMT Bacolod T4	Bacolod City, Negros Occidental	Vertical	Residential	Casa Mira	386	372	41%	2028
60	Cost Mira Panglao T3	Dauis Panglao Island, Bohol	Vertical	Residential	Premier Masters	364	268	25%	2028
61	East Village T5	Davao City	Vertical	Residential	Garden Series	429	429	32%	2028
62	Mandtra T2	Mandaue City, Cebu	Vertical	Residential	Garden Series	685	634	65%	2028
63	Mindara Residences (LPU Garden)	LPU Town, Davao City	Vertical	Residential	Garden Series	546	544	40%	2028
64	Mirani Steps Danao	Danao, Cebu	Vertical	Residential	Mirani	215	215	38%	2028
65	Velmiro Heights Consolacion Ph1	Consolacion, Cebu	Horizontal	Residential	Garden Series	156	154	6%	2028
66	CMT Palawan T4	Puerto Princesa, Palawan	Vertical	Residential	Casa Mira	384	343	41%	2029
67	Manresa Town	Davao City	Estate	Townships	Estate	0	-	-	-

68	Ming-Mori	Cebu City	Estate	Townships	Estate	0	-	-	-
69	Casa Mira Homes Butuan	Butuan City, Agusan Del Norte	Horizontal	Residential	Casa Mira	676	571	2%	2029
70	CMT Palawan T5	Puerto Princesa, Palawan	Vertical	Residential	Casa Mira	345	211	1%	2029
71	East Village T6	Davao City	Vertical	Residential	Garden Series	288	288	32%	2029
72	Velmiro Heights Davao	Davao City	Horizontal	Residential	Garden Series	355	355	34%	2029
73	North Grove at Pristina Town	Cebu City	Vertical	Residential	Garden Series	1,029	56		2029

Notes:

** Mixed-use – individual components already describe its respective number of units, hotel keys and gross leasable area

*** Not applicable as the project relates to pure hotel operations

Newly launched and Pipeline projects for 2024

In 2024, CLI launched four (5) projects with a total value of ₱13.67 billion. Among these, Casa Mira Homes Butuan, valued at ₱2.60 billion, marked CLI's initial expansion into Butuan, with a significant portion of the inventory being sold within the first month of launch, and as of now, 84% of the total stock has been sold since the launch date. Additionally, the Velmiro Heights Davao project, comprising 362 units, sold out in just two days, generating ₱2.70 billion in sales. These achievements contributed to CLI reaching a 96% sell-out status across all projects at various stages of development, with total reservation sales amounting to ₱18.60 billion to date.

Additionally, CLI expanded its hospitality portfolio with the grand opening of three hotels which went into full operation: lyf Cebu City at Base Line Center with 159 rooms, The Pad Co-Living in Banilad High Street with 258 rooms, and Citadines Bacolod with 200 rooms. These additions will complement Citadines Cebu City, which is operating 180 rooms, in CLI's strategy in growing its hotel portfolio. CLI is currently constructing six additional hotels to further enhance its revenue from the hospitality sector.

Moreover, CLI entered into its first international partnership by collaborating with NTTUDA, a Japanese company known for its mixed use residential and commercial developments, to establish CLI NUD Ventures, Inc. As part of this collaboration, CLI sold a lot for ₱2.00 billion to CLI NUD Ventures, Inc., for the development of a premier-grade condominium at Cebu IT Park. Their inaugural project, valued at ₱6.40 billion, is expected to launch in the second quarter of 2025. The first tower of this development will feature over 500 premium residential units, marking a significant milestone in CLI's expansion journey.

Furthermore, CLI spent ₱13.83 billion in capital expenditures, with the majority 73.4% allocated for residential development, 18.5% for investment properties, and the remaining portion for existing lot payments.

As of December 31, 2024, CLI successfully sold out 57% of the new inventory from projects launched during the year, underscoring its ability to capture demand where it competes. CLI aims to sell the remaining units over its construction period.

Looking ahead to the coming months, CLI plans to launch more developments from its 11 pipeline projects, with an aggregate sales value of ₱24.80 billion.

CLI will be selective in acquiring high potential landbank to drive sustained revenue growth in the future. As of December 31, 2024, CLI reported a total land bank of 107 hectares valued at ₱10.00 billion, including the expansion site in General Santos City. During the year, CLI also developed 26.80 hectares, primarily for the Casa Mira Butuan and Velmiro Heights projects.

To support its initial expansion into Luzon, CLI has opened its first regional office outside the VisMin region, located in Makati City. This office serves as a strategic hub for the Company's growth and operations in the region, reinforcing its commitment to becoming a national developer. The Company is actively negotiating the acquisition of properties in Luzon for its initial expansion into that market. Moving forward the Company is also planning acquire an additional 175 hectares for future prospects.

Residential Developments

Residential developments constitute the cornerstone of the Company's operations and project portfolio. CLI's overarching goal is to meet the persistently unmet demand for quality-built, cost-effective housing, and well-planned communities that align with the needs of the market. In response to the housing backlog and the heightened desire for safe and secure homes, the Company consistently launches new housing projects.

To effectively address diverse market segments, the Company categorizes its housing developments into distinct brands. The largest contributing brand is Casa Mira, which has emerged as the fastest growing and most popular brand in VisMin. Starting with a typically priced at ₱120,000.00 per sq.m. or ₱2.00 million per housing unit, Casa Mira caters specifically to the economic market. House and lot units under Casa Mira start at around ₱2.20 million, with lot area starting at 60 sq.m. and floor area at 42 sq.m. Over time, the Casa Mira series has become a pivotal asset, securing the largest residential market share in VisMin. Its success can be attributed to its value proposition, providing residents with reasonably priced homes in aesthetically pleasing communities, complete with several amenities more associated with higher-priced developments. These include a clubhouse with multi-purpose halls, a chapel, swimming pool, multiple basketball courts, tennis courts and children's playground.

In a strategic move to grow the Company into more segments, CLI introduced the "Mirani" brand last July 2023. Designed to cater to the more affordable housing demand within the market spectrum with a price point of around ₱1.90 million, the Mirani brand debuted with Mirani Steps in Danao in June 2023. and is 48.37% sold out in three (3) months.

The Garden Series, targeting the mid-market segment, offers both vertical and horizontal product lines. Subdivisions under this brand are known as Velmiro, while condominium projects go by the name Garden Residences. Garden Residences condominiums feature selling prices starting at ₱140,000.00 per sq.m., with each housing unit price ranging from ₱2.50 million to ₱3.20 million for studio condominium units. Velmiro subdivisions have a 100 sq.m. lot area, with floor area of 50-100 sq.m., with a starting price of around ₱4.60 million. The Garden Series distinguishes itself by offering an upgraded array of amenities over the economic segments, including a swimming pool, multi-level clubhouse with function rooms, fitness gym, basketball court, and playgrounds situated in an expansive landscaped park.

Strategically, CLI offers Premier Masters, the high-end residential buildings with prices starting at ₱180,000.00 up to ₱300,000.00 per sq.m. These luxurious developments, located in prestigious urban areas, include Terranza Residences in Iloilo, Costa Mira Mactan, the two (2) Baseline condominiums, and 38 Park in I.T. Park Cebu.

Lastly, Villa Casita represents CLI's business in socialized housing, offering units at a price of ₱580,000.00. Through these socialized housing projects required under specific compliance terms, the Company endeavors to provide decent and affordable housing to the market segment. The list below categorizes the projects according to market segments:

Horizontal (Subdivision) Projects:

Socialized:	Villa Casita North and Villa Casita Balamban in Cebu; Guadalupe Pinamalayan Socialized Housing Project
Mirani:	Mirani Steps Danao
Economic:	Casa Mira Linao and Casa Mira South in Cebu; Casa Mira Coast and Casa Mira Homes Dumaguete in Negros Oriental; Casa Mira Bacolod in Negros Occidental; Casa Mira Iloilo in Panay, Casa Mira Danao in Cebu and Casa Mira Davao
Mid-Market:	San Jose Maria Villages (“ SJMV ”), Midori Plains and Velmiro homes in Cebu, CDO, Bacolod and Bohol

Vertical (Condominium) Projects:

Economic:	Casa Mira Towers in Labangon Cebu, CDO, Mandaue Cebu, Guadalupe Cebu, LPU in Davao, Bacolod and Palawan
Mid-Market:	Midori Residences, Mivesa Garden Residences and Mivela Garden Residences, Calle 104 (Ramos Tower), Mandtra Residences in Cebu; MesaVerte Garden Residences CDO; MesaTierra Garden Residences, The East Village Towers DGT, Velmiro Heights and Mindara Residences in Davao, and MesaVirre Garden Residences in Bacolod,
High-End:	Asia Premier Residences, Base Line Residences, Base Line Premier, Base Line Prestige, 38 Park Avenue, One Astra Place, Calle 104 (Ranudo Tower) in Cebu; and One Paragon Place in Davao, Costa Mira Beachtown in Mactan Cebu and Panglao Bohol

Overall, a substantial portion of buyers of CLI’s projects obtain financing either through Pag-IBIG, or through commercial banks under their home mortgage lines. The Company does not offer in-house financing. Historically, 13.4% of buyers obtained their financing through Pag-IBIG, 64.2% use commercial banks under their home loans lines and the remaining 22.4% of the buyers pay in cash.

Horizontal (Subdivision) Projects

Villa Casita Balamban

Launched in 2014, CLI’s first socialized housing development is located at Buanoy, Balamban, Cebu. With a land area of 8,128 sq.m., it consists of 101 row house units with a lot area of 36 sq.m. and a floor area of 22.65 sq.m. Pre-sold units were priced at about ₱400,000.00. It is fully developed, completed, and sold out.

Villa Casita North

The second project of the Company’s Villa Casita brand offers its homeowners well-designed homes, well-planned site development, and sizable green spaces for parks and community facilities traditionally found only in mid-market or upscale developments. The development is designed to provide over 663 homes to families in the North of Cebu with a selling price of ₱480,000.00 per unit.

Guadalupe Pinamalayan Socialized Housing Project

This socialized housing project in Pinamalayan, Oriental Mindoro, was started in 2015 in collaboration with Habitat for Humanity. The 3.9-ha. initiative includes 338 single-story and detached units, with 77 of them going to Habitat for Humanity recipients.

Mirani Steps Danao

Mirani Steps Danao, launched in July 2023, stands as the pioneer project under the newest Mirani brand by CLI. Specifically designed to meet the demand for affordable housing, these homes are envisioned to provide functional living spaces, quality finishes, and community amenities for its buyers, with a price range of around ₱1.90 million to ₱2.90 million. CLI unveiled Mirani Steps Danao, marking the inaugural venture of this brand. The project has sold out 48.37% in 3 months since launch. The project is expected to turnover by the last quarter of 2028.

Casa Mira Linao

Launched in 2015, Casa Mira Linao is CLI's first foray into economic housing development. The project is located in the hills of Linao-Lipata, Minglanilla, Cebu on a 12-ha. property. Phases 1 and 2 comprise 725 townhouse units with floor areas ranging from 37 to 62 sq.m. and average selling price starting from ₱0.90 million to ₱1.40 million. It is fully developed, completed and sold out.

In 2020, CLI launched Casa Mira Linao Phase 3, which consisted of 126 single-detached townhouse units with 59 sq.m. in floor areas at an average selling price of ₱3.50 million.

Casa Mira South

Launched in 2016, this economic housing development is located in Naga City and the Municipality of San Fernando, both in Cebu Province. This 32-ha community built on a rolling terrain that allows for expansive views and generous open spaces and amenities, is divided into four phases consisting of over 3,000 townhouse units, with each unit having floor areas ranging from 36 to 59 sq.m. Average pre-selling price ranges from ₱1.10 million to ₱1.60 million. Phases 1 and 2 are completed and turnover to unit owners is almost complete. In 2018, it was awarded as the Best Housing Development in Cebu at the Philippine Property Awards.

In 2020, CLI launched Casa Mira South Phase 3A and Phase 3B with 616 units at an average pre-selling price of ₱1.20 million to ₱2.60 million. Due to the robust demand for the project, CLI launched Phase 4 in 2022 with a total of 1,023 units and sales value of ₱2.40 billion. As of the end 2022, these projects are fully sold.

Casa Mira Coast

Casa Mira Coast, a residential economic subdivision located in Barangay Maslong, Sibulan, Negros Oriental, is a 5.3-ha project that consists of 543 townhouses selling at ₱1.60 million to ₱2.20 million. It offers quality amenities that sets it apart from other economic housing projects. Adding to its appeal, the project has a view of the nearby coast and is only 2 kilometers away from the Dumaguete Airport.

Casa Mira Dumaguete

Launched in 2020, the second Casa Mira project in Negros Oriental is located in a 7-ha land in Junob, Dumaguete City. Its modern architecture and design were inspired by the classic American country home. This development is split into two phases with a total of 604 house-and-lot units. Average floor range is 60 to 135 sq.m.

Casa Mira Bacolod

Casa Mira Bacolod is the seventh Casa Mira project of CLI with 431 house-and-lot units. With its accessible location, homeowners enjoy more of the conveniences brought by business establishments, malls, schools, churches, and major institutions. The development offers generous open spaces and well-planned amenities at an affordable price ranging from ₱1.70 million to ₱2.20 million. The houses range from 40 to 46 sq.m. in floor area.

Casa Mira Homes Iloilo

This 14-ha community features a contemporary mix of townhouses and single detached units inspired by the cultural evidence of the Spanish colonial era that has been part of Philippine history. Its design and architecture mimic that of the Bahay na Bato that is one of the most iconic historical places in Iloilo. In 2020, CLI launched its first project in Iloilo City, Panay comprising 1,109 house and lots with a typical floor area of 48 sq.m. and average pre-selling price of ₱1.80 million to ₱2.70 million.

Casa Mira Homes Ormoc

Casa Mira Ormoc is the first Casa Mira brand in Leyte. It has a very strategic location, and it offers affordable townhouse units with very generous payment schemes. Casa Mira continues to expand to major key cities in Visayas and Mindanao and is launching its first project in Eastern Visayas. Casa Mira Homes Ormoc is a 9.13-ha residential subdivision in Brgy. Luna Ormoc City.

Casa Mira Danao

Strategically located in Danao City Cebu, this development in Northern Cebu will provide homes that allow buyers to maintain peace and privacy, while still having close proximity to essential establishments. CLI launched 595 units of this project in Q4 2022 with a sales value of ₱1.97 Billion. Site development works are being implemented while full completion is expected to be in 2027.

Casa Mira Davao

Casa Mira Danao is located in Brgy. Magtuod with 836 house and lot units on 135,842 sq.m. of land. Launched in June 2023, it is anticipated for completion in Q3 of 2027.

SJMV

This series of villages located in the south and southwest of Cebu City paved the way for CLI in providing affordable mid-cost quality homes to the middle market segment. SJMV offered a mix of single detached, semi-attached townhouses and lot-only options to the buyers. SJMV-Balamban is a 3.0-ha development with 231 units launched in 2013 SJMV-Minglanilla is a 2.9-ha development with 145 units launched in 2007. SJMV-Toledo is a 3.0-ha development with 144 units launched in 2009. SJMV-Talisay is a 1.9-ha development with 96 units launched in 2010. Lots were pre-sold at ₱7,000.00 per sq.m., while house and lot units averaged at ₱1.40 million to ₱3.60 million. All SJMV projects are fully developed and completed, with both SJMV-Minglanilla and SJMV-Talisay sold out.

Midori Plains

Launched in 2011, this mid-market development is located in the Municipality of Minglanilla, Cebu. This 7.0-ha Asian-inspired subdivision south of Cebu City has 370 residential units ranging from townhouse units with 40-sq.m. floor areas to single-detached units with an area of 77 sq.m. each. It is fully developed, completed, and sold-out.

Velmiro Heights Cebu

This mid-market development was launched in 2013 and is located on an 8.80-ha property in Tunghaan, Minglanilla, Cebu. This 348-unit development offers 11 different house models, ranging from townhouses to single-detached, two-storey units. Townhouses have 60-sq.m. floor areas, while the largest unit contains 131 sq.m. of living space. Townhouses were pre-sold at an average price of ₱1.70 million while the largest single-detached unit was about ₱5.30 million. Phase 1 & 2 is now fully developed, completed. Phase 1 already fully sold out.

Velmiro Uptown CDO

Launched in 2017, Velmiro Uptown is located in Upper Canituan, CDO City, providing easy access to various establishments in the city. This 14-ha. mid-market residential subdivision has a total of 395 house-and-lot units nestled at a prime spot in CDO City. The project offers a mix of units from townhouses to single detached houses with floor areas 60 to 106 sq.m., respectively. The average selling price ranges from ₱2.40 million to ₱5.00 million. The project has started turnover to new homeowners in 2022.

Velmiro Plains Bacolod

This 8.3-ha development is a modern mid-market residential community comprising 342 house and lot units with floor area ranging from 60 sq.m. to 106 sq.m. Located strategically at Granada, Bacolod City, the average selling price ranges from ₱2.60 million to ₱4.20 million per house and lot.

Velmiro Greens Bohol

CLI's first development in this 3.6-ha property in Dauis Panglao, Bohol is accessible to schools, places of worship, tourist spots, malls, beach resorts, and other major establishments. The project offers a mix of units from townhouses to single detached houses with average floor area ranging from 48 sq.m. to 67 sq.m. Average prices range from ₱2.30 million to ₱3.60 million per house and lot.

Casa Mira Butuan

Launched in 2024, Casa Mira Homes Butuan is a flagship residential subdivision developed by Cebu Landmasters, Inc. (CLI), marking its inaugural venture in Butuan City. Strategically situated along the National Highway in Barangay Ampayon, this development offers accessible and affordable housing options tailored for Filipino families seeking quality living in Northern Mindanao.

Velmiro Heights Davao

Velmiro Heights Davao is a modern residential subdivision developed by Cebu Landmasters, Inc. (CLI), located in Barangay Magtuod, Davao City. This 11.52-hectare development offers a harmonious blend of contemporary living and natural beauty, providing residents with stunning views and a serene environment. Lot sizes range from 100-258 sqm, with prices ranging from ₱5.20 million to ₱11.15 million. Launched in June 2024, this project completely sold out all 362 units in just two days.

Vertical (Condominium) Project

Casa Mira Towers Labangon

Launched in 2016, this is CLI's primary venture in the economic segment of residential condominiums. The project is located in Labangon, Cebu City on a 3,681-sq.m. property that used to be the location of the old CLI headquarters. This two-tower development on top of a commercial podium has a total of 686 residential units. It offers 20-sq.m. studio units and 1-bedroom units averaging 37 sq.m. units pre-sold at ₱1.25 million to ₱1.43 million. Construction for the development started in 2016 and was completed in 2018.

Casa Mira Towers Guadalupe

Located across the Fooda intersection of V. Ramos St., and V. Rama, this three-tower residential condominium has a total of 1,231 condominium units and retail components. A studio room currently costs around ₱2.60 million from its pre-selling price at ₱1.58 million. Tower 1, with 544 condo units, is fully sold and unit turnovers began in 2022. Tower 2, with 234 units, was launched in 2020 while 453 units Tower 3 was launched in 2021 with development now ongoing.

Casa Mira Towers Mandaue

Launched in 2019, Casa Mira Towers Mandaue, a four-tower mid-rise condominium located in Marciano Quizon, St, Mandaue City, Cebu, is the 8th development of CLI's Casa Mira flagship housing community. The project offers a mix of studio and one-bedroom units with prices ranging from ₱75,000.00 to ₱80,000.00 per sq.m. Phase 1 and Phase 2 development has 821 units and 663 units, respectively. This includes Tower 1 which was launched in Q1 of 2023. The project is expected to be delivered and turned over by 2024.

Casa Mira Towers Cagayan De Oro

Casa Mira towers Cagayan De Oro is a two-tower residential condominium with 986 units. Launched in 2019, the development also has its own retail spaces on the ground floor area still owned by CLI. The project had sold out in 2020, despite the nationwide community quarantines and the global pandemic.

Casa Mira Towers LPU

Located within minutes from Davao's Francisco Bangoy International Airport, Casa Mira Towers LPU is composed of two residential towers with 930 condominium units. The project will have a retail component at the ground floor for retail and food outlets to cater students from Lyceum of the Philippines – Davao. This two-tower project is integrated with the LPU Davao campus and serves its students, faculty, administrators and others in the school community.

Casa Mira Towers Bacolod

CLI launched its fifth Casa Mira condominium development in Bacolod City. Casa Mira Towers Bacolod is a four-tower residential project that's part of a master planned CLI complex along Lacson Avenue. Within that development is a Citadines hotel, a commercial complex, and another three-tower residential condominium of CLI garden series MesaVirre.

Casa Mira Towers Bacolod Towers 1, 2 and 3 are now 100% sold, generating a sales value of ₱2.72 billion for 1,033 units. In May 2023, CLI launched Tower 4, comprising 378 units, of which 68% have been sold to date.

Casa Mira Towers Palawan

CLI positioned its fastest selling brand in Palawan as it launched its first development in the city. The first four buildings of Casa Mira Towers Palawan have 1,105 units and were able to generate ₱2.98 billion reservation sales from the expected ₱3.45 billion sales. The Palawan project has projected gross revenues of ₱6.00 billion from the seven towers with Phase 1 set for completion in the last quarter of 2027. In 2024, CLI launched Tower 5 with an additional 345 units.

Midori Residences

This zen-inspired twin-vertical mid-market residential condominium development is located in Mandaue City, Cebu. Its 22-sq.m. studio and 40-sq.m. 1-bedroom units were pre-sold at an average of ₱1.30 million to ₱2.60 million. It is fully developed, completed, and fully sold out, with a total of 396 units having been sold.

Mivesa Garden Residences

Located in Lahug, Cebu City and launched in 2013, this 1.8-ha development is a home to seven midrise, mid-market residential buildings, and is designed as a garden-inspired community which has 60% open spaces within a convenient location. This is a three-phase project with the first two phases covering the first five buildings. The first two phases offered 937 units consisting of studio, 1-bedroom and 2-bedroom units. Pre-selling started at ₱1.20 million for a 20-sq.m. studio unit, and up to ₱2.90 million for a 2-bedroom 48-sq.m. unit. Phases 1 and 2 are completed and delivered. Phase 3, which has a total of 576 units, is completed and its turn-over started in 2020.

Mivela Garden Residences

Mivela Garden Residences is a ₱5.30 billion project, located in Banilad, Cebu City, with four-towers and 1,585 condo units. The Best-Selling Garden Series development has generated strong buyer interest as it is 80% sold out after three weeks of selling. The project is close to major establishments and commercial spaces in the Banilad neighborhood of Cebu. Construction immediately started and will be completed by the first half of 2025.

MesaVerte Residences

Launched in 2015, this is CLI's initial entry into the Mindanao market. It is located on an 8,740-sq.m. property in downtown CDO, Misamis Oriental, and 60% of the property is dedicated to open spaces. The project offers 20-sq.m. studio and 39-sq.m. 1-bedroom units which were pre-sold at ₱1.47 million and ₱2.88 million, respectively. The development is fully sold and is completed.

MesaTierra Garden Residences

Located in Emilio Jacinto Extension, the heart of Davao City, this 5,094 sq.m. mid-market condominium has a total of 677 residential units priced between ₱1.60 million to ₱3.40 million. This development has various amenities like swimming pools, sky garden, playground, and workspace. This condo project is now completed and turned over.

MesaVirre Garden Residences

Launched in the first quarter of 2018, MesaVirre Garden Residences, a three-tower mid-market condominium with 1,072 condo units, is CLI's first project in Bacolod. The project is only 17 minutes away from the airport, 3 kilometers from the Riverside hospital and situated near a number of malls.

Mandtra Residences

Mandtra Residences is a JV project between CLI and CHDI, Mandtra Residences offers living spaces from studio units and 1-bedroom units with balcony and terrace. This ₱3.00-billion project has a total land area of 12,405 sq.m., 3 residential towers and a retail component in the common podium.

The East Village @ Davao Global Township

The East Village at DGT is the first residential development in the township with over 2,000 residential unit offerings spread across the six-tower vertical village. In 2022, CLI launched the first four towers of which were sold out in 4 days with new record breaking sales of ₱5.8 billion. The project immediately broke ground in the second quarter of 2022 and is scheduled for completion in the third quarter of 2026. And in 2023, Tower 5 was launched bringing additional 429 units and a sales value of ₱2.5 billion. Tower 6 was finally added in June 2024, with an additional 288 units, to be completed in 2029. The East Village is a project of YHEST Realty Development Corp., CLI's JV with the Yuson, Huang, and Tan families belonging to the Villa-Abrille families of Davao.

Asia Premier Residences

Launched in 2010, CLI's first vertical high-end residential condominium project is located at the Cebu IT Park, Cebu City. The development is also the first residential development in the area. The units ranged from studio units sized at 28 sq.m. and 3-bedroom units measuring 109 sq.m. It is fully developed and completed and has since sold out its 88 units.

Base Line Residences

This 201-unit residential condominium project is located in uptown Cebu City on Juan Osmeña Street. The project offered 23-sq.m. studio units at a pre-selling price of ₱1.59 million, while its

41-sq.m. 1 bedroom unit pre-sold at ₱3.15 million. The project was launched in 2011, and is fully developed and completed, with its 201 units having been sold out.

Base Line Premier

This development was launched in 2015 as one of the residential component of Base Line Center, a one-ha mixed-use development located along Juan Osmeña Street, Cebu City and right beside another CLI project, Base Line Residences. It has 379 units consisting of a 24-sq.m. studio and 45-sq.m. 1 bedroom units. Studio units pre-sold at ₱2.22 million, while 1-bedroom units pre-sold at ₱4.16 million. Construction started in March 2016 and was completed in 2018.

Base Line Prestige

Within Base Line Center, this high-end residential condominium is the other residential tower to rise in the popular mixed use development. The 351 units are accessible to various establishments. This tower has a range of amenities, from retail podiums, fitness gyms, pools, and playgrounds. Units for this project are being sold for ₱2.00 million to ₱10.00 million. The project is currently in its turnover phase to buyers.

38 Park Avenue

38 Park Avenue was launched last 2017 with a total of 764 units. This 38-floor New York inspired condominium is designed to be the highest building in Cebu I.T. Park. 38 Park Avenue presents five types of condo residences: studio (24 sq.m.), one-bedroom (54 to 56 sq.m.), two-bedroom (80 sq.m.), three-bedroom (111 to 137 sq.m.), and penthouse (320 to 420 sq.m.). Turnover of the units to buyers is currently on-going.

One Astra Place Residences

Situated in the heart of A.S. Fortuna Street, one the major thoroughfares of Mandaue City, One Astra Place is the residential component of Astra Centre, a mixed-use development with residential towers, an upscale lifestyle mall, a Radisson hotel, and modern office spaces. One Astra place is a 15-storey condominium that comes with amenities and features. Both the first and second residential towers were launched and are fully sold out to date. The project is scheduled to be completed by 2024.

One Paragon Place

This is a high-end residential tower integrated within The Paragon Davao, a master-planned development designed to be a lifestyle destination in Davao City. Standing 26 storeys-high, it has a full range of amenities that residents can enjoy and units with panoramic views of the city. One Paragon Davao is currently 98% sold, with 554 units selling for ₱2.14 billion.

Terranza Residences

Terranza Residences is a partnership with International Builders Corp. under a JV called GGTT. The 33-storey Terranza Residences is CLI's second Iloilo City project. It is expected to be completed by 2025, bringing in as much as ₱2.72 billion in revenues. It will be home to 600 units on a 2,539-sq.m. property. The residential segment will offer one-bedroom units spanning 24 sq.m. to 174 sq.m., which may be combined, as well as penthouse units with 117 sq.m. of space to as much as 174 sq.m. The project will feature a sky lounge, a rooftop garden, a play area, fitness gym, and a helipad.

Costa Mira Beachtown Mactan

The first CLI resort living project, Costa Mira Beachtown, is located in Mactan, Cebu. The development consists of three towers, the first two of which were launched in 2021 and are sold out and scheduled to be completed by 2027.

Calle 104

Calle 104 is a JV project of CLI and Borromeo Brothers Estate, Inc. under CBLRV. It is located in Cebu City's Ramos and Ranudo streets. The 5,530-sq.m. property has two towers: Ramos Tower has 20 floors while Ranudo Tower has 18 floors. Ramos Tower has 325 studios and one-bedroom units, while Ranudo Tower has 192 studios and three-bedroom penthouse units. Prices of the units range from ₱3.50 million to ₱23.70 million. Calle 104, which was immediately sold-out during launch, will be completed by the fourth quarter of 2026 and is projected to bring ₱3.00 billion in gross revenues.

Costa Mira Beachtown Panglao

Costa Mira Panglao is CLI's second resort living condominium. The development is under the JV company CLI-LITE and is designed to have three towers beside the renowned Panglao beach. In November of 2022, the JV launched two towers with a total project value of ₱3.50 billion. The last tower opened for pre-selling in Q2 2023 while the whole development is set to complete by 2027.

North Grove at Pristina North

Launched in 2024, this project is a garden-inspired residential condominium developed in partnership with Ixidor Holdings under the joint venture Cebu Homegrown Developers Inc. Situated within the prestigious Pristina Town in Brgy. Bacayan, Cebu City, this development offers a serene lifestyle that harmoniously blends modern condo living with the tranquility of nature.

Office Projects

In 2013, CLI opened its first office property, Park Centrale at I.T. Park Cebu, taking advantage of the growing BPO sector in Cebu. CLI's current strategy is to significantly expand its recurring revenue projects in order to deliver 200,000 sq.m. over the next five years in terms of GLA.

In 2020, the Company turned over Latitude Corporate Center, a Grade A office tower at the Cebu Business Park with a Gross Floor Area ("GFA") of 21,000 sq.m. Building development for Astra Corporate Center (18,823 sq.m. GFA) and Patria de Cebu Office (4,562 sq.m. GFA) are currently ongoing.

Office buildings include Park Centrale Tower, Base Line HQ, Latitude Corporate Center, Astra Corporate Center, Patria de Cebu Office, and Masters Tower Cebu Office.

Park Centrale Tower

Park Centrale Tower is CLI's first office development. Located at the Cebu IT Park, the 19-storey office tower was launched in 2013 with a total GFA of 11,920 sq.m. and was completed in only two years of construction. The project caters to both BPOs and executive offices. 60% of the office spaces were offered for lease, while the rest were fully sold as office condo units. In 2014, the project was awarded as the Best Commercial Development (Cebu) during the 2014 Philippines Property Awards ("PPA").

Base Line HQ

This project is the office component of the Base Line Center, a major mixed-used development of CLI. Similar to Park Centrale, the said project also caters to both BPOs and executive offices. CLI offered for sale 60 of the 74 office units, while the remaining were retained for the Company's growing leasing business. The strategic location attracted customers in the medical, legal, government, and outsourcing services.

Latitude Corporate Center

Latitude is a green building project registered with BERDE, the nationally accepted green building rating system used to measure, verify, and monitor the environmental performance of buildings that exceed existing mandatory regulations and standards in the Philippines. This 21,000-sq.m. (in GFA) development is a project of BL Ventures, a JV company of CLI and Borromeo Bros, Inc. With 24 storeys, Latitude will be the tallest office development at the Cebu Business Park. As the project developer and manager, CLI positioned this project as a three-product office development with BPO, enterprise and executive office offerings. The BERDE project was completed in 2020.

Astra Corporate Center

Part of the mixed-use project in AS Fortuna is Astra Corporate Center, the office leasing component of Astra Centre. The Office building is 15-storey high with a total of 18,823 sq.m. of GFA. The project is expected to be completed and be a source of leasing income for the Company by 2025.

Patria de Cebu Office

In 2018, CLI announced its partnership with the Archdiocese of Cebu to develop and operate a mixed-use project on the 6,670 sq.m. property. This is based on a 40-year lease. The project will be a redevelopment of the existing Patria de Cebu, an old Spanish establishment to accommodate hotel, retail, and offices. It will have approximately 21,000 sq.m. of GFA, with 4,562 sq.m. (GFA) of office spaces. The project is expected to be completed and fully operational by the year 2025.

Masters Tower Cebu Office

On February 19, 2021, the Company unveiled its ₱4.00 billion skyscraper that is set to open in 2026. This mixed-use tower located on a 2,840 sq.m. area in the Cebu Business Park will have a prime office component in anticipation of a robust economic recovery in the next few years.

The tower's office spaces from the eighth to the 12th floor anticipate the needs of locators who value efficiency and sustainability. The spaces will highlight horizontal louvers to reduce solar heat by almost 70% and to create a comfortable work environment. In addition to the louvers that reflect Cebuano craftsmanship, sky gardens in every floor and throughout the Leadership in Energy and Environmental Design ("LEED")-registered building adds a pleasant visual component to its occupants.

Hotel and recreational development

In addition to its residential and office developments, CLI has entered the hospitality business starting with the completion of its first hotel, Citadines Cebu City in September 2019. The following are the projects under the hospitality business of CLI, its Subsidiaries and its associate Magspeak:

Hotel:	Citadines Cebu City, Radisson Red, Base Line Lyf Hotel, Citadines Paragon Davao, Citadines Bacolod, Mercure Hotel and Sofitel Cebu City
Co-living:	The Pad
Resort:	Abaca Resort Mactan Cebu and Magspeak

Citadines Cebu City

Starting operations in September 2019, the project is an international serviced residence with 180 rooms of which 74 units were sold and 106 units were retained by the Company for recurring revenue. Citadines Cebu City is part of the mixed-use Base Line Center located in Juana Osmeña

St, Cebu City, Cebu. It complies with international hospitality standards as it operates under the management of The Ascott Limited, the world's largest international serviced residence owner-operator.

Radisson Red

CLI partnered with another international hotel brand by signing a management contract with Radisson Hotel Group, one of the world's largest and most dynamic hotel groups, for the first Radisson RED in the Philippines. Radisson RED will be part of the Astra Centre, a major mixed-use development of CLI, along A.S. Fortuna St. in Mandaue City, Cebu. Radisson RED is intended to have 146 guest rooms with its unique designs and upscale select service offering, injecting life into the hotel through informal services. The development is scheduled for completion and operations by 2025.

lyf Cebu

Launched in 2024, lyf Cebu occupies a portion of the third tower in Base Line Center. This 153-room serviced residence project targets the booming local and foreign millennial market in Cebu City. The hotel is managed by Ascott Limited, one of the world's leading international serviced residences under their eponymous lyf brand.

Citadines Paragon Davao

Located at General Douglas MacArthur Highway, Bucana Tolomo, Davao City, Citadines Paragon is a serviced apartment condotel which will be managed by Ascott. The hotel is designed to provide guests its world class amenities, such as a fully equipped kitchen, home entertainment, dining, and access to retail outlets. Citadines Paragon is set to open by 2025

Citadines Bacolod

Citadines Bacolod is the first internationally branded hotel of Bacolod managed by Ascott Limited. The international hotel / serviced residences comprise 200 hotel units, an events hall, function rooms, meeting rooms, restaurants, bar and various hotel amenities within a 4,502 sq.m. property. The project opened mid-2024.

Mercure Hotel

In 2018, CLI announced its partnership with the Archdiocese of Cebu to develop and operate a mixed-use project on the 5,186 sq.m. property through a 40-year lease. The project will be a redevelopment of the existing Patria de Cebu to accommodate hotel, retail, and offices. This Filipino-Spanish inspired hotel development will cater to 167 guest rooms and is expected to be completed and fully operational by year 2025.

Abaca Resort Mactan Cebu

The all-suite Abaca Resort Mactan is a luxury resort in the Punta Engaño area of Mactan island that has received the highest ratings from global travel experts. With a footprint of 4,328 sq.m., the property is one of the few remaining prime properties in the area with an attractive oceanfront and just a short drive from the Mactan Cebu International Airport. CLI envisions the Abaca Resort Mactan to expand to a 125-room all-suite luxury development from its current nine rooms, to be completed in 2026.

In 2020, Abaca Boutique Resort in Cebu was nominated as Asia's Leading Boutique Beach Resort 2020 and Asia's Leading Boutique Resort 2020 in the 27th World Travel Awards.

Sofitel Cebu City

The first five (5)-star luxury hotel in Cebu will rise on one of the best corner properties with an area of 2,840 sq.m. in Cebu Business Park, Cebu City's primest central business district developed by Ayala Land. Sofitel Cebu City will be operated by multinational chain Accor, a world leading hospitality group headquartered in France. The sustainability of this LEED-registered building will be reflected in the design and operations of the 14th to the 32nd floors which will house the luxury hotel with 195 guest rooms, a grand ballroom, two restaurants, executive lounge, meeting rooms, roof deck, swimming pool, gym, and spa.

The Pad

In 2021, CLI signed a ₱360.00 million JV for a mixed-use development with co-living spaces and transient housing in Cebu near the IT Park. The Pad, with over 258 dormitory rooms, is currently turning over and was completed in 2023.

The Pad is the first entry of CLI on co-living spaces. The dormitory will have 258 semi-furnished rooms that can occupy three to four transients. The project is located along Banilad road, Cebu City which is strategically located near schools and BPOs. The Pad is integrated in the mixed-use development, Banilad Highstreet with retail and commercial spaces.

MagSpeak Resort and Villas

The 21-hectare mountain estate in Magsaysay Peak in Balamban, Cebu, with an elevation of 800 meters is owned by a JV company, MagsPeak, composed of CLI and Cebuano businessmen and fellow Caminoans, Bob Gothong, Segundino Selma Jr., Richard Ray King, and Douglas Gacasan. CLI is developing the project and will eventually operate it under its own management.

MagsPeak will be one of the starting points of the Camino de Cebu trail favored by pilgrims expressing their religious devotion. The MagsPeak to Compostela pilgrim trail is a 42-kilometer route traversing the mountainside of Manunggal Balamban down to the Municipality of Compostela, whose patron, St. James the Apostle, is also a featured saint in the MagsPeak chapel. The Camino de Cebu is based on the traditional Camino of Spain which is composed of several trails that converge on the city of Santiago de Compostela in northwestern Spain.

MagsPeak devotees can further immerse in a spiritual retreat inside the beautiful Our Lady of the Pillar Chapel which overlooks the mountains, or contemplate the 20 stations along the 800-meter-long Rosary Walk, or meditation quietly the Pieta in a garden inspired by Michelangelo or do penance by climbing the 14 stations of the Way of the Cross from the entrance to the top of MagsPeak.

MagsPeak's offers a unique hospitality experience managed by CLI's Hospitality arm, CLI Hotels & Resorts. Opening in late 2025, the resort comprises 13 exclusive mountain villas and 20 hotel rooms highlighting views of the Balamban mountain landscape and the western Cebu seascape.

Mixed-use developments and Townships

With its growing brand, experience, and portfolio, CLI pursued larger scale developments in prime urban locations. They have a mix of residential, commercial, office, retail and hospitality with MICE components.

Mixed-Use and Township:

Base Line Center, 38 Park Avenue, Astra Center, Paragon Center, Patria de Cebu, Banilad Highstreet, Masters Tower, Cebu; Manresa Town, Ming-mori Reclamation Project and Davao Global Township

Base Line Center

CLI's first major mixed-use development is the Base Line Center, a 1.6-ha modern redevelopment in the heart of midtown Cebu. The Company removed the existing structures in the old Base Line, a well-known favorite gathering place of Cebuano families, and built a mixed-use development. The project started operations in 2019.

38 Park Avenue

CLI, through its JV, El Camino, acquired a 1.18-ha property inside the Cebu IT Park, the largest remaining private property inside the prestigious address. This property, called 38 Park Avenue at the Cebu IT Park, will be transformed into a mixed-use urban park with a 38-storey residential tower and retail boulevard.

Astra Center

In 2017, CLI launched another major mixed-used development, the Astra Center, in the AS Fortuna Mandaue area, a growing commercial district and the major thoroughfare that connects Cebu and Mandaue. This medium-density project will feature a hotel, residential condo, office, and a lifestyle mall.

Paragon Center

Another mixed-use development by CLI is the Paragon Center, a JV project in Davao that was launched in 2018. The development comprises the high-end condominium, One Paragon Place, Citadines Davao Hotel, a convention center, and a lifestyle retail strip.

Patria de Cebu

In 2018, CLI announced its partnership with the Archdiocese of Cebu to develop and operate a mixed-use project on the 6,670 sq.m. property through a 40-year lease. The project will be a redevelopment of the existing Patria de Cebu, an old Spanish establishment to accommodate hotel, retail, and offices. It will have approximately 21,000 sq.m. of GFA and is expected to be completed and fully operational by the year 2025.

Banilad Highstreet

CLI has inked a ₱360.00 million JV for a mixed-use development with co-living spaces and transient housing in Cebu nearby the IT Park. SPE, the JV company, has a long-term 20-year lease on a 7,500sq.m. property along Banilad and nearby Cebu IT Park which houses several business process outsourcing firms. The JV is with the Farrarons family who owns two hotels and a strip mall in Cebu City. Banilad Highstreet will have commercial spaces, over 258 dormitory rooms, and other retail offerings.

Masters Tower Cebu

Set to be completed in 2026, it will offer prime office and retail spaces and the first five-star luxury hotel in the Queen City of the South. Sofitel Cebu City will be operated by multinational chain Accor, a world leading hospitality group headquartered in France. The groundbreaking of the LEED-registered Masters Tower Cebu took place in September 2021. CLI is aiming for the building's LEED Gold certification.

Manresa Town

Manresa Town is a 14.3-ha. mixed-use development that's envisioned to be a vibrant university town fully integrated with the Xavier University Masterson Campus of the Future. The campus and the adjacent university town is a collaboration between CLI and Xavier University-Ateneo de Cagayan. Manresa Town is designed to be complete with retail spaces, offices, and, most importantly, student and teacher friendly residential offerings.

Davao Global Township

CLI also entered into a JV to develop a central business district in Matina, Davao. The 22-ha estate, called Davao Global Township, will be developed into a large-scale self-contained community with office, residential, mall and institutional uses. Its first residential condominium project, The East Villages has launched and is under construction.

Ming-mori Reclamation Project

CLI is currently working on the Ming-mori Reclamation Project in its pipeline projects. This master planned reclamation development covering 100 ha was issued an ECC by the DENR on July 22, 2020, following a comprehensive two-year review. This project is a JV, MMDC, between CLI and UKC Builders. The techno business hub will be a township project to house light industrial facilities with residential, commercial areas and an integrated port facility and to generate over 75,000 jobs in the municipality while meeting sound environmental guidelines.

Competitive strengths

Leading property developer in VisMin with a distinguished brand and reliable track record of project execution proven during the pandemic

In 2024, an independent study by Colliers International reaffirmed CLI's leading position in the VisMin residential market. The study identified CLI as the top residential developer in the region, having the largest market share among real estate firms. The 19% overall residential share in net take-up value is an improvement from 16% market share in the previous year, indicating increasing consumer confidence and recognition in the market.

CLI has responded well to the increasing market demands of VisMin, outpacing other developers in finishing construction and delivering completed units to its customers. On average, CLI can convert raw land to a turned-over project in four to five years, depending on the project size.

The Company adopts a rigorous project management team approach, wherein key personnel from each business unit are given a regular platform to monitor project milestones and discuss important synergies and shared deliverables among business unit.

CLI had exhibited its capacity to execute project delivery during the height of the COVID-19 pandemic. Construction activity at the Company's 24 locations continued to advance at a modest pace while following local health protocols and required permitting to continue its site operations. This effort was motivated by the Company's dedication to deliver quality real estate developments on schedule to its customers. By the end of 2021, the economy had gradually reopened, allowing CLI to resume full swing in construction, with catch-up measures being implemented to make up for any delays brought about by the pandemic lockdowns.

Strategic location selection to provide value-for-money proposition to customers

The criteria for choosing a location for CLI are very rigid. The Company continues to be on the lookout for properties of high value appreciation potential. CLI's site quality has always been a catalyst for its excellent sales success, whether for a high-end condominium project or an affordable housing project. CLI has projects in the region's most valuable real estate major key areas in Cebu, Iloilo, Bacolod, CDO, and Davao. The Company looks at locations within a two-kilometer radius of the closest highway for its mid-market and affordable housing developments. The Company has enhanced the facilities in the neighborhoods where its housing developments are located. This has always proved to be a win-win for the residents as well as the local neighborhood.

CLI's experience with the city and its communities, as a native developer, allows the Company to choose the best locations for its projects and to cater to the market's needs and tastes. San Jose Maria Village, Balamban, CLI's first project, was established when CLI's founder, Mr. Jose R. Soberano III, recognized that there was a ready demand for affordable housing among employees of Balamban's manufacturing companies.

Because of CLI's proven track record, landowners who wish to sell or develop their properties jointly find it easier to approach and work together with the Company. This is evidenced by the number of proposals from landowners regularly received by CLI to buy or develop their properties.

CLI gives its clients more value for their investments. Its properties are distinguished by the quality of its locations, award-winning planning and design, generous amenities, timely and quality construction, and industry-best customer service, after-sales, and property management support at very competitive prices. The Company has a strong pipeline in various affordability levels and will strive to continuously improve its products' value proposition. As a success criterion and as practiced, CLI has always projected its initial pre-selling prices to appreciate by at least 20-25% by the time the construction is completed. As an indication of the positive market response, a number of its projects have set selling records in the markets where they are launched, and 98% of the inventory from its completed projects has been sold out.

Highly diversified and expanding project portfolio catering to diverse socio-economic markets

CLI is a fully integrated RED with a highly diversified expanding portfolio of residences, offices, retail spaces, hotels, mixed-use developments, and townships across 17 major locations in VisMin, which includes Greater Cebu, Bohol, Dumaguete, CDO, Davao, Iloilo, Bacolod, Ormoc, Butuan, Palawan, and Gensan, among others.

During the pandemic, the Company was able to maintain earnings stability because of its wide portfolio of projects that addressed the demands of consumers from various socioeconomic strata. In 2020, CLI expanded its affordable housing offerings to address the rising need for high-quality housing where everyone can feel safe and comfortable in their residence, which serves as a hub for work, school, and recreation.

With the market's growing need for safe and secure homes, CLI launched the "Embrace Home" campaign to emphasize the value of homes. CLI also quickly made available online platforms where buyers can purchase quality homes under flexible and comfortable payment terms and enticing promos. The Company took prompt action to continue its excellent services to its stakeholders, homeowners, and surrounding communities through technology. CLI quickly adapted to change to strengthen the Company's digital presence, to attend to the stakeholders' concerns despite all the limits COVID-19 has given.

Experienced management team and organizational culture

The Company aims to grow its workforce in line with high standards of professionalism, as it has over the last 21 years. The Group has grown from two employees to a dynamic team of 1,068 executives, managers, officers, and staff, with an average age 46 and over 250 years combined cumulative professional experience in their respective fields, who have contributed to the Company's culture of excellence and strong corporate governance. CLI's customer-first attitude and family-oriented team enables it to achieve high stakeholder satisfaction and establish strong brand equity.

CLI is led by a family of real estate professionals. Its founder, Chairman of the Board of Directors, President and CEO, Jose R. Soberano III, was a former executive at Ayala Land, where he played an integral role in the development of Cebu Business Park and Cebu IT Park, the two most valuable commercial districts in Cebu City up to this day. CLI has grown its talent pool with the

addition of knowledgeable accounting and finance, business development, engineering, legal, marketing, and sales professionals with extensive experience and success in their respective professional careers. CLI's key executives have had prior experience in reputable companies from related industries such as real estate development, construction, power, banking, business process outsourcing, consulting, and others.

Corporate Social Responsibility

CLI's corporate social responsibility agenda is pursued through the CLFI, the CSR arm of the company, with focus on 1) Shelter and Integrated Social Development, 2) Environment, 3) Education, and 4) Livelihood/Enterprise Development.

CLI as a Community-Centric Organization

A total of 1,094 families benefited from the community programs on shelter, environmental awareness, education, and livelihood, a 19% increase versus the previous year. The programs implemented helped build capabilities and provided livelihood opportunities for partner communities.

Providing Access to Shelter and Integrated Development Support

In 2024, CLI turned over a 3-Star BERDE-certified (Building for Ecologically Responsive Design Excellence) medium rise building to the beneficiary or partner local government unit in Mandaue City, Cebu. BERDE is a green building rating system established by the Philippine Green Building Council.

CLI assisted in the resettlement of ninety (90) beneficiary families into the 90-unit, 5-storey relocation site for families who were victims of two separate fire incidents in 2016 and 2019. CLI assisted the LGU and beneficiaries in the aspect of social preparation, helping them transition from horizontal or sprawling settlements to living in vertical spaces. In addition, CLI built the capacity of partner LGU on the aspect of property management, providing guidance on the upkeep and maintenance of the built residential space. More than 50 hours of work session was dedicated for the training of the LGU property management team to help develop a system to standardize building maintenance activities from house rules and building administration guidelines. More than just providing and maintaining the space, CLI continues to support the beneficiary community in the aspect of sanitation and waste management, livelihood, health and wellbeing.

Environmental Awareness and Biodiversity Enhancement

On environmental programs, the company's GREEN (Green Resources for Ecosystems Enrichment) and GROW (Green Resources and Opportunities for Work), CLI has significantly contributed to increasing tree cover with an additional 99,066 native trees planted in 2024 with a survival rate of more than 80%. This brings the total number of trees planted to 407,399 trees since 2021. These are planted across 396 hectares in 151 planting sites within Cebu Province. In addition, 5,000 native trees were planted as part of the company's greening project in its project sites.

Community Capacity Building and Educational Scholarship

A total of 277 hours of community capacity building and at least 108 hours of technical-vocational skills training benefited 1,255 individuals from the partner communities with predominantly women in attendance. This program introduced a diverse set of skills from leadership, ecosystems services, biodiversity management, simple financial management, and livelihood skills. In addition, the company continues to support 25 university scholars taking up architecture, engineering, business, marketing and hospitality programs.

Livelihood for Partner People's Organization

The company's LAMBO (Livelihood Assistance for Multi-sectoral Beneficiary Organizations) program is the umbrella program for livelihood for all partner communities from various sectors. Under this 'mother program' is a sub-program called GROW (Green Resources and

Opportunities for Work) which has significantly increased the income of farmers (terrestrial) and fisherfolk (coastal) through tree growing which starts from seedling production, nursery establishment, tree planting, maintenance and monitoring. The beneficiaries of the program are partner farmers and fishermen. On the other hand, the company continues to promote the farmers' produce through a farm-to-market initiative known as Tabo (local/Cebuano term that suggests a distribution area of farm produce). This initiative has expanded from the company's corporate offices to the company's managed residential properties, linking both the farmers and the consumers, eliminating traders or middlemen while helping farmers build professional relationships with commercial establishments for them to be part of their supply chain in the future. The program assisted at least 4 new people's organizations and increased the income of existing partner organizations. Moving forward, CLI seeks to further support farmers and fisherfolk through its program called FARM (Fostering Agricultural Resilience and Management and FISH (Fostering Innovative and Sustainable Harvesting).

Strategic JV partnerships

CLI takes pride in its ability to collaborate with and deliver great value to its JV partners. CLI is the project manager and developer in all its JVs. These JVs enable the Company to position itself in strategic locations such as Cebu Business Park through BL Ventures, and Cebu IT Park through El Camino.

CLI's JV partnerships are typically of a closer and more collaborative nature than the norm, where it treats its JV partners as true and equal business partners. Its collaboration results in better-suited products in the markets they are launched in, while benefiting from the market intelligence of its partners. Product execution and delivery are also improved by leveraging the professional and regulatory networks of its partners.

Collaborating with a JV partner also facilitated the Company's forays into new markets such as Davao, Bacolod, and Iloilo. After the success of MesaTierra, the Company entered into new partnerships with YHES to develop Paragon Center and with YHEST to develop Davao Global Township, both in Davao.

Another JV company, CHDI with Ixidor Holdings, Inc. as a partner, is set to develop a mid-market, mixed-use, multi-tower condominium project in Mandaue City, Cebu as its first project. It is called Mandtra Residences. It has also acquired a strategic landbank in Talamban, Cebu, just outside the prestigious Prisinta North subdivision, from Aboitiz Land. The project is a high-end, mid-rise mixed-use development currently in the planning and design stages.

After the success of Latitude Corporate Center, CLI and Borromeo Bros. partnered afresh to develop another project in another prime location within Cebu City. CBLRV was incorporated in 2020 to develop a mixed-use multi-tower residential condominium in Ramos Cebu City.

Additionally, CLI recently signed a JV agreement with prominent Iloilo businessman Alfonso Tan, chairman of International Builders Corporation, for a high-rise residential tower on a prime corner lot in Iloilo City's downtown area. The tower will be the first condominium offering in the highly accessible location.

CLI created two (2) JV partnerships in 2021. SPE was formed to build the 7,500-sq.m. property. A great location along Banilad Cebu City will be transformed into a mixed-use development with retail spaces and a 300-room dormitory. In addition, the Company formed CLI-LITE, a JV with Jun Lim of Lite Shipping Corp., to develop 4 has. of property in Panglao, Bohol, into a residential condominium project launched in 2022 and 2023.

In October 2023, CLI entered into a partnership with NTTUDA, an international developer known for commercial properties, including office buildings, residences, and mixed-use developments in Southeast Asia. This JV is geared towards the development of premium-grade residential towers in the heart of Cebu City.

The Company's successful JV partnerships in its past and present projects underscores CLI's prominence as a preferred JV partner because of the priority it gives to its partners, its transparency in terms of project planning and accountability, and its quick execution and delivery of projects. The fast business development cycle it implements makes the Company attractive to its current and future JV partners.

Financial strength: Strong profitability, prudent financial management and a healthy balance sheet

CLI's Net Profit to its shareholders has increased at a compound annual growth rate of 17.5% from its first public offering in 2017 to the recent full year 2024. The Company has continually proven great profitability and prudent financial management throughout its expansion. CLI's gross profit and Net Profit increased steadily while maintaining good margins and debt management discipline.

CLI ended the pandemic year 2020 with a Consolidated Net Income of ₱2.08 billion and Net Income attributable to equity shareholders of ₱1.85 billion, a slight decline of 8% y-o-y from ₱2.01 billion in 2019, based on its audited financial statements. The modest earnings results were due to the reduced construction operations caused by the lockdown measures imposed by the government during the enhanced community quarantine period. In 2020, CLI was able to benefit from the attractive interest rate environment as it raised a total of ₱8.00 billion in March, which was completely subscribed by several financial institutions at an average fixed rate of 4.15%.

For the year ended 2021, CLI recorded ₱2.61 billion net income attributable to CLI shareholders in 2021, an increase of 42% from ₱1.85 billion y-o-y. CLI's topline grew by 35% to ₱11.16 billion from 2020's ₱8.30 billion driven by significant construction accomplishments and robust sales, which have further resulted in a ₱25.00 billion or 23% increase in unrecognized revenue for future recognition, based on its audited financial statements. The Company also maintained prudent debt management during the year. The Net Debt to equity ratio remained at modest levels standing at 1.72x while lowering down cost of borrowing to 4.75% from 4.96% in 2020.

In 2022, CLI recorded Normalized Net income to parent shareholders of ₱3.17 billion, an increase of 21% from ₱2.61 billion in 2021, the remainder after tax adjustments for the year were factored out.

In 2023, CLI showcased a commendable financial performance, reporting a consolidated Net Profit of ₱4.64 billion. This figure reflected a significant y-o-y increase of 29% from the previous period's ₱3.61 billion. Furthermore, the Net Profit attributable to the Parent company of CLI demonstrated a solid growth of 13%, reaching ₱3.58 billion compared to ₱3.17 billion in the same period last year. The notable earnings expansion can be attributed to the Company's robust performance across all revenue streams which led to CLI's Revenues increasing by 20% to ₱18.82 billion from ₱15.66 billion the previous year. This is supported by higher construction progress and higher sales take-up. Using the weighted average of 3,465,201,467 shares, EPS was ₱1.03 for the year 2023 as compared with the same period last year of ₱0.92, a 12% increase.

For the year ended December 31, 2024, the Company demonstrated a steady topline with revenues increasing by 4% to ₱19.53 billion from ₱18.82 billion in the same period last year. This growth was driven by lot sales and expansion across all business segments, highlighting robust market demand. Consequently, the company sustained its earnings momentum with Net Profit to Parent, rising from ₱3.01 billion to ₱2.79 billion - reflecting a 8% year-on-year.

The Company also prides itself in its cost discipline. While CLI utilizes contractors for its projects, it purchases its own raw materials and employs a dedicated project management team to ensure that quality and costs meet the Company's requirements.

CLI also has one of the most organized and responsive accounts receivable and customer support departments in the industry. The delinquency rate improved to 2.58% in 2024 from 1.15% from September 2023, 3.82% in 2022, and 5.21% in 2021.

CLI also has a dedicated accounts management team who facilitates the take-out process, whether through a bank mortgage or a cash payout for the contract balance.

In respect of its debt management, CLI endeavors to match its debt maturity profile with the cashflow it is generating from the very projects being funded. CLI's cash cycle is typically four to five years depending on the project type. So especially in a rising interest rate environment, the proceeds to be raised from the Bonds are intended to be a means to carry out CLI's ongoing strategy of moving its debt maturity profile towards the longer end of the curve and at the same time mitigating the impact of higher borrowing costs since the Bonds involve fixed interest rates.

Operational excellence

CLI has a fully integrated real estate set-up encompassing different areas, namely, acquisitions, business development, technical planning, engineering and project management, sales and marketing, documentation and licensing, legal services, customer service, and property management. The Company prides itself on its hands-on and personalized approach, which allows itself to respond effectively to its clients and industry partners.

Construction

For each horizontal and vertical development, CLI engages various general and specialty contractors with both local and national experience. With over 170 engineers in its roster, CLI handles the project and construction management aspect of every project and manages the various contractors and subcontractors that are utilized. As the project manager, CLI controls the delivery of its projects with priority on promptness, quality, and professionalism. CLI does not have any in-house construction or any affiliated general contracting business.

Sales

CLI has one of the industry-leading sales support teams. With over 73 sales support personnel, this team collaborates, coordinates, and supports the over 11,000-strong accredited broker/agent network of CLI. This is CLI's strategy in working harmoniously with the seller community by assisting the brokers 24/7 from sales origination to closing. CLI works alongside brokers in addressing the client inquiries until closing.

Key Strategies

Expansion to key cities in the Visayas and Mindanao

Regional Developments:

Bohol	: Velmiro Plains Bohol Ph1-2, Costa Mira Beachtown Panglao
Dumaguete	: Casa Mira Coast, Casa Mira Dumaguete Ph1-2
Bacolod Plains	: MesaVirre Garden Residences A-C, Casa Mira Granada, Velmiro Granada, Casa Mira Towers Bacolod T1-T4
Iloilo	: Casa Mira Iloilo, Terranza Residences
Palawan	: Casa Mira Towers Palawan T1-T5

Ormoc	: Casa Mira Ormoc
Butuan	: Casa Mira Butuan
CDO Towers	: MesaVerte Garden Residences, Velmiro Uptown CDO, Casa Mira CDO, Velmiro Heights CDO
Davao	: MesaTierra Garden Residences, The Paragon Center, Davao Global Township, Casa Mira Towers LPU, The East Village T1-T6, Casa Mira Homes Davao, Mindara Residences, Velmiro Heights Davao

In 2015, CLI embarked on its regional expansion when it launched MesaVerte Residences in CDO. This is the mid-market condominium offering of CLI with three 15-storey residential towers having a total of 798 units which almost sold out in less than a year of pre-selling. In 2018, the Company then introduced its mid-market horizontal project in the same city – Velmiro Uptown CDO. The subdivision's master plan shows an inventory of 395 units intended to meet the housing demand in the area.

In CDO, the Company set up its first satellite sales, administrative, and engineering offices. The Company found a unique advantage in being homegrown, as it can distinguish itself further in these new regional markets with similar local dynamics as that of Cebu's.

In 2016, CLI successfully set its foothold in Davao by launching MesaTierra Garden Residences, a 22 storey residential condominium.

In 2017, CLI strengthened its market presence in Davao by entering into two new JVs to develop the Paragon Center and Davao Global Township, a 22-ha. estate project. The Company then launched Casa Mira Coast, a five-ha. property in Sibulan, Negros Oriental. After the successful launch of its first Casa Mira brand outside Cebu, CLI expanded its footprint from Negros Oriental to Negros Occidental by introducing MesaVirre Garden Residences, a three-tower residential condominium project in Bacolod City.

In 2018, the Company launched Astra Center, its first mixed-used building in Mandaue, Cebu. The Astra Centre is composed of Astra Centre Mall, Radisson RED, One Astra Place and Astra Corporate Centre.

In 2019, the Company acquired Abaca Resorts Mactan and Lowaii Marine Cebu Resort in Mactan, Cebu to increase revenues from its hotel segment. CLI entered into a JV with an Aboitiz Company, to develop Mandtra Residences, a mid-market, mixed-use, multi-tower condominium project in Mandaue City, Cebu.

In 2020, CLI sets footprint in Bohol and Iloilo with the successful launching of Velmiro Greens Bohol, a 3.6-ha. modern mid-market horizontal development in Jaro DAVIS, Panglao, Bohol, and Casa Mira Iloilo, 14.4-ha. economic subdivision project in Jaro, Iloilo City with 1,109 housing units. With the fully takeup Casa Mira Coast in Sibulan, Negros Oriental, the Company launched Casa Mira Dumaguete, a 6.1ha. project to develop 604 economic horizontal housing units. CLI also launched Casa Mira Towers LPU, a 930-unit economic condominium project, as a housing option for students in Lyceum of the Philippines University.

In 2021, CLI launched its first project in Ormoc, Casa Mira Ormoc is the first Casa Mira brand in Leyte. It has a very strategic location, and it offers affordable townhouse units with very generous payment schemes. Casa Mira continues to expand to major key cities in Visayas and Mindanao and is launching its first project in Eastern Visayas. Casa Mira Homes Ormoc is a 9.13-ha residential subdivision in Brgy. Luna Ormoc City.

In 2022, CLI purchased 17.2 has. of land in Butuan City to be developed into Casa Mira Butuan by Q1 2024. During 2023, the company also expanded to General Santos City by purchasing 21 has. of land. The company envisions launching both its Casa Mira and Velmiro brands as entry points to the Gensan market. To date, planning and permitting is ongoing for the said project.

In 2023 CLI continued further expansion with its acquisition of a 21 hectare property in General Santos, while purchasing an additional 22.6 hectares in Macabug Ormoc for 2024.

CLI has several strategic land acquisitions lined up in greater Cebu, Bacolod, CDO, and Davao. CLI continues to pursue its aggressive plans to establish and deliver quality developments across the VisMin region. Strengthening its expansion in Luzon, CLI has opened in early 2025 its first regional office outside the VisMin region, located in Makati City, to support its growth and operations in the area. Further, CLI is actively engaged in negotiations with landowners in NCR and Greater Manila Area as part of its strategic efforts to expand its footprint in Luzon.

Building recurring income developments

As CLI set its sight on a long-term growth trajectory, the Company is committed to growing its recurring income portfolio. In 2013, CLI launched its first office building in Cebu IT Park. The project, Park Centrale Tower, was designed to host both BPO and executive offices (office condominium units). With its Grade A design and features, Park Centrale Tower was awarded as the Best Commercial Development in Cebu in the 2014 PPA.

In 2015, CLI made another significant step in growing its recurring income portfolio when it launched its Phase 1 of Base Line Center, a redevelopment of one of the largest remaining properties in the prime midtown Cebu area. The project is a mix of retail, office, hotel, and residential project.

In 2016, CLI launched Latitude Corporate Center, a JV development under BL CBP Ventures Inc. This is a 24-storey Grade A office building offering future-ready spaces for businesses with a 13,000 sq.m. GLA.

In 2017, the Company launched 38 Park Avenue, a residential high-rise project with 3,000 sq.m. of retail space located in the last 1.18-hectare patch of green in Cebu I.T. Park, one of the Philippines' top 20 prime real estate properties.

In 2018, the Company launched Astra Center, a mixed-use development located in Mandaue City designed to have a boutique mall, hotel, office, and residential tower adding over 30,000 sq.m. GLA.

The first hotel business of the Company started operations in September 2019 allowing CLI to recognize a new stream of revenue from the segment. Citadines Cebu City, the 180-room condotel, is operated and managed by Ascott International Management Pte Ltd., the world's largest international serviced residence owner-operator.

In 2021, CLI launched Masters Tower, the project is a 31-storey hotel and office tower that will establish a destination within Cebu Business Park and bolster Cebu's status as an international city. It will be the tallest tower in the district, with over 7,000 sq.m. of Class A office space and the first 5-star hotel in Cebu, Sofitel Cebu City. The property is located on a 2,840-sq.m. area in the Cebu Business Park and will be among the top three tallest structures in the metropolis, which would top off at 192 meters above sea level.

CLI's current recurring income assets include BPO floor space, executive office space, residential units, and various commercial and retail units in its condominium projects. These assets are now delivering a lease income to CLI amounting to ₱162.41 million from a combined GLA of 40,575 sq.m. At present, the Company's rental leased rate is at 75% after the newly delivered spaces from Latitude Corporate Center, DGT Drive thru, Banilad High street, Baseline Center new wing, 38 Park Avenue, Casa Mira Towers Guadalupe were substantially leased out. Several under construction commercial developments that will further boost its recurring income includes Astra Center, Patria de Cebu, DGT Commercial Center, Masters Tower among others. These new developments are designed to boost the recurring income of the Company by 2025 by integrating a hotel, commercial center, office, and residential tower into one development.

Vertical integration – property management services

On April 20, 2017, CLPM, a wholly owned subsidiary of the Company, was incorporated to provide property management services to housing, condominium and office projects developed by the Company. With the goal of making CLPM a self-sustaining and revenue generating business unit, CLPM is envisioned to eventually offer and expand its services to outside clients. Currently, CLPM is managing 30 projects with revenue for the period ending December 31, 2023, 2022, and 2021 are ₱59.22 million, ₱55.47 million, and ₱42.97 million respectively. For the year ended December 31, 2024, property management fees reached ₱63.93 million.

Growth of economic housing brand (Casa Mira)

The Casa Mira brand of CLI is designed to answer the underserved demand in the affordable housing sector. And even after the pandemic, Casa Mira remained CLI's fastest selling and most sought-after brand. Unit prices range from ₱1.80 million to ₱3.00 million. Correspondingly, the monthly amortizations range from as low as ₱6,000.00 to as high as ₱15,000.00. This caters to households with monthly incomes of ₱15,000.00 to ₱30,000.00.

Despite the pandemic, strong housing demand in VisMin enabled CLI to sell a number of housing units from Casa Mira which accounted for 69% of the Company's reservation sales in 2020 amounting ₱14.23 billion. In 2021, as the economy reopens, demand for the Casa Mira brand remains resilient, accounting for 41% of the ₱16.52 billion reservation sales that the Company recorded during the year. In 2022, Casa Mira accounted for 32% or ₱5.88 billion of the total reservations sales for the year. With the new launches in 2024, Casa Mira segment accounted for 32% of residential reservation sales with the launches of Casa Mira Palawan Tower 5 and Casa Mira Butuan.

The Garden Series, targeting the mid-market segment, which open open spaces and well-designed homes, are available in both vertical and horizontal product lines. The Company foresees a growing demand for new, well-built, well-planned, and strategically located homes for the mid-market segment – homebuyers who can afford a monthly equity payment of ₱8,000.00 to ₱15,000.00 and an annual income of ₱400,000.00 to ₱800,000.00.

By 2025 onwards, CLI will roll out the Casa Mira and Garden Series brands in its newly acquired expansion sites in Butuan and Gensan, and also in existing sites as additional phases and towers. The Company sees this as a great opportunity to tap into the classes B, C, and D markets where most of the working population belongs to. With the Philippines' young and growing workforce, the need for affordable permanent housing options will continue to escalate.

Capitalizing on pipeline projects

CLI continues to position for growth with a robust pipeline of over 12 projects valued at ₱36billion slated for the upcoming year. Underlining its commitment to expansion, CLI continues its proactive search for high-potential landbank across VisMin, ensuring a continuous and strategic approach to securing opportunities for future development. This foresighted land acquisition approach solidifies CLI's position for sustained growth and innovation in the real estate sector.

Establish and leverage strategic partnerships, alliances, JVs, and cooperation

CLI will also continue to pursue local partnerships that will serve to enhance its expansion plans. The Company has proven that strategic alliances can provide a winning formula for securing strategic locations and entering new markets for as long as the JVs are executed with best practices. Its existing JVs are BL Ventures, CCLI, Cebu BL-Ramos Ventures Inc., CHDI, CPH, El Camino, GGTT, MGR, YHESPH, YHEST, YES, and YHES.

SPE and CLI-LITE, Inc. are CLI's new JV agreements for 2021. In addition, the business expanded its stake in MMDC from 20% to 78%, making it the JV's project manager and principal developer.

In October 2023, CLI initiated a strategic partnership with NTTUDA, a Japanese entity recognized for its expertise in developing commercial properties such as office buildings, residences, and mixed-use developments across Southeast Asia. This collaborative venture is specifically designed for the development of premium-grade residential towers situated in the heart of Cebu City. The partnership between CLI and NTTUDA signifies a shared commitment to delivering high-quality real estate solutions and marks a significant milestone in elevating the standards of residential developments in the region.

Corporate Organization

CLI is presently engaged in real estate-related activities such as real estate development, sales, leasing, and property management. Its real estate portfolios include residential condominium units, subdivision house and lots, and townhouses as well as hotels, office projects, retail spaces, and townships.

In 2016, AB Soberano, formerly AB Soberano International Corporation, one of CLI's stockholders, assumed control of CLI by acquiring an additional 400,000,000 shares of CLI and became the parent company of CLI. ABS is a holding company and is incorporated and domiciled in the Philippines. The registered office and principal place of business of AB Soberano is located at 2nd Street Villa San Lorenzo, Quijada Street, Barangay Guadalupe, Cebu City.

On January 6, 2017, the board of directors approved CLI's application for the registration of 1,714 million of its common shares with the SEC and application for the listing thereof in the PSE. The board of directors' approval also covered the planned initial public offering of 430 million unissued common shares of CLI. CLI's shares were listed in the PSE on June 2, 2017.

On February 26, 2021, the Company increased its authorized capital stock to ₱10.00 billion common shares and ₱100.00 million voting preferred shares.

On July 14, 2021, CLI distributed stock dividends of 123% per share. This resulted in an increase in total outstanding shares after the stock dividends to 3,461,851,997. This is net of the total shares held under treasury as of the end of December 31, 2021, amounting to 161,600,000 shares.

On January 4, 2024, the SEC issued and released the Certificates of Filing of Amended Articles of Incorporation, both dated December 29, 2023, which approved CLI's applications for amendment of its Articles of Incorporation to create a new class of preferred shares through the reclassification of 1.0 billion unissued common shares with a par value of ₱1.00 per share to 1.0 billion Series "A" preferred shares with a par value of ₱1.00 per share. The SEC applications are in line with the approval of the Board of Directors during the special board meeting held on April 25, 2023, and approval of the Stockholders during the Annual Stockholders' meeting held on June 1, 2023 on the amendment of Article VII of CLI's Articles of Incorporation, including the creation of the new class of preferred shares. As a result of the reclassification and amendment of the Articles of Incorporation, CLI's authorized capital stock now comprises ₱9.00 billion common shares, ₱1.00 billion Series "A" Preferred Shares, and ₱100.00 million Series "B" Preferred Shares.

Article VII of CLI's latest Amended Articles of Incorporation grants to its Board of Directors the express authority to determine, fix, and approve all other features, salient and commercial terms, issuance and redemption features, and all other terms and conditions of the Series "A" preferred shares, including any tranche or sub-series thereof.

In relation thereto, and during its special board meeting held on January 8, 2024, the CLI Board of Directors approved and authorized the Company's public offering of 3,000,000 Series "A" Preferred Shares with an oversubscription option of up to 2,000,000 Series "A" Preferred Shares

at an offer price of ₱1,000.00 per share. The CLI Board of Directors also approved the terms and conditions of the offer shares during the same board meeting.

On April 12, 2024, the Company successfully raised ₱4.28 billion through the sale of Series A-1 and Series A-2 preferred shares. The shares were listed on the Philippine Stock Exchange (PSE) under the ticker symbols CLIA1 and CLIA2. The offering was 1.43 times oversubscribed relative to its firm offer amount, with dividend rates set at 7.59% p.a. for Series A-1, which may be redeemed by CLI after four (4) years, and 8.25% p.a. for Series A-2, which may be redeemed by CLI after seven (7) years, from their issue date.

Due to CLI's continued strong financial performance, the Board of Directors declared a regular dividend of ₱0.15 per share and a special dividend of ₱0.03 per share on March 18, 2024. These dividends were distributed to shareholders of record as of April 17, 2024, with payment made on May 3, 2024.

CLI and its Subsidiaries are not involved in any bankruptcy, receivership, or similar proceedings, and have no material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

Subsidiaries and Affiliates

Corporate structure

The Company holds ownership interests in the following Subsidiaries and associates as of December 31, 2024:

Entity	Effective Percentage of Ownership	
	2024	2023
<i>Subsidiaries</i>		
(1) A.S. Fortuna Property Ventures, Inc. (“ASF”)	100	100
(2) CLI Hotels and Resorts, Inc. (“CHR”)	100	100
(3) CLI Premier Hotels Intl. Inc. (“CPH”)	100	100
(4) Cebu Landmasters Property Management, Inc. (“CLPM”)	100	100
(5) CLI-LITE Panglao Inc. (“CLI-LITE”)	88	88
(6) BL CBP Ventures, Inc. (“BL Ventures”)	50	50
(7) Yuson Excellence Soberano, Inc. (“YES”)	50	50
(8) Yuson Huang Excellence Soberano, Inc. (“YHES”)	50	50
(9) YHEST Realty and Development Corporation (“YHEST”)	50	50
(10) CCLI Premier Hotels, Inc. (“CCLI”)	50	50
(11) YHES Premier Hotel Inc. (“YHESPH”)	50	50
(12) Mivesa Garden Residences, Inc. (“MGR”)	45	45
(13) El Camino Developers Cebu, Inc. (“El Camino”)	35	35
(14) Cebu Homegrown Developers, Inc. (“CHDI”)	50	50
(15) Cebu BL-Ramos Ventures, Inc. (“CBLRV”)	50	50
(16) Ming-Mori Development Corporation (“MMDC”)	78	78
(17) GGT Realty Corporation (“GGT”)	50	50
(18) Sugbo Prime Estate, Inc. (“SPE”)	64	64
Entity	Effective Percentage of Ownership	
	2024	2023
<i>Associates</i>		
(19) Magspeak Nature Park, Inc. (“Magspeak”)	25	25
(20) Icom Air Corporation (“ICOM”)	33	33

(21) Iloilo Global City Corporation (“IGCC”)	43	-
(22) CLI NUD Ventures, Inc. (CLI NUD)	60	

- (1) ASF was incorporated as a JV on March 9, 2017 to facilitate the acquisition of a 9,989-sq.m. property along AS Fortuna Avenue for the development of the Astra Center Mandaue, a mixed-use development in the AS Fortuna Mandaue area that will house a hotel, residential, and office development and a boutique mall. CLI acquired all the ownership interest of its business partners at the end of 2017 which made ASF its wholly owned subsidiary as of December 31, 2017. Its principal office is located on the 10th Floor, Park Centrale Tower, J.M. Del Mar St., Cebu IT Park, Brgy. Apas, Cebu City.
- (2) CHR was incorporated on August 4, 2022 as a wholly-owned subsidiary of CLI and is engaged to run and manage the Group's various hotel projects. Its principal place of business is located in Cebu City.
- (3) CPH, a wholly owned subsidiary of the Company, was incorporated on August 26, 2016 to take charge of Citadines Cebu City and the Company's future hotel developments. The commercial operations started on September 14, 2019. Its principal office address is at 10th Floor, Park Centrale Tower, J.M. Del Mar St., Cebu IT Park, Brgy. Apas, Cebu City.
- (4) CLPM, a wholly owned subsidiary of the Company, was incorporated on April 20, 2017, to provide property management services initially to housing and condominium projects developed by the Company. It is envisioned to eventually offer and expand its services to outside clients. CLPM started commercial operations on September 1, 2017. Its principal office address is at 10th Floor, Park Centrale Tower, J.M. Del Mar St., Cebu IT Park, Brgy. Apas, Cebu City.
- (5) CLI-LITE was incorporated on July 19, 2021, as an undertaking by CLI and two other corporations for the development of a mixed-use project with residential condominiums and a possible hotel component in Panglao Island, Bohol. The principal place of business of CLI-LITE is located in Cebu City.
- (6) BL Ventures was incorporated on February 3, 2016, to develop Latitude Corporate Center, a 24 storey office development at the Cebu Business Park. BL Ventures was a JV of the Company and Borromeo Bros, Inc. Its principal office address is at AB Soberano Bldg., Salvador Ext., Labangon, Cebu City.
- (7) YES was incorporated on December 15, 2016 to mark the Company's entry into the Davao market. It is a JV between the Company and Yuson Comm. Investments Inc. to undertake the development of MesaTierra Garden Residences, a 21-storey residential condominium, and two other mixed-use projects in Davao City. It will also engage in real estate brokering to facilitate the marketing and sale of the JV developments in Davao. Its principal office address is at Suite A, 204 Plaza De Luisa Complex, 140 R. Magsaysay Ave., Davao City.
- (8) YHES was incorporated on November 10, 2017, to develop the Paragon Davao, a 1.9-ha property in Riverside Davao. The development will become a mixed-use real estate which will include a residential, retail, hotel, and convention center. YHES Inc., is a JV of CLI, Yuson Strategic Holdings Inc., and Davao Filandia Realty Corp. Its principal office is located at MesaTierra Garden Residences Showroom, E. Quirino Avenue, Davao City.
- (9) YHEST was incorporated on August 10, 2018 to develop the Davao Global Township. It is a JV between CLI, Yuson Strategic Holdings Inc., Davao Filandia Realty Corp., Plaza De Luisa Development Inc., Yuson Newtown Corp., and Davao Primeland Properties Corp. Its principal address is at MesaTierra Garden Residences Showroom, E. Quirino Avenue, Davao City.
- (10) CCLI was incorporated on November 12, 2018, as an undertaking between CLI and Capitaine, Inc. for the development of Citadines hotel in Bacolod City. The Citadines hotel

is planned to be managed by Ascott. The principal place of business of CCLI is located at the 2nd floor MesaVirre showroom in Bacolod City.

- (11) YHESPH was incorporated on October 28, 2019, as a wholly owned subsidiary of YHES that will engage in hotel business. Its ultimate parent is CLI which owns 50% of YHES. YHESPH has not yet started its commercial operations.
- (12) MGR was incorporated on March 13, 2017 to develop Towers 6 and 7 (Phase 3) of Mivesa Garden Residences, a real property development project located on a 3,000-sq.m. property to be registered in the Company's name. Its principal office is located on the 10th Floor, Park Centrale Tower, J.M. del Mar St., Cebu IT Park, Brgy. Apas, Cebu City. CLI holds a 45% stake in MGR.
- (13) EL Camino was incorporated on August 15, 2016, to develop a 1.17-ha. property inside the Cebu IT Park, and to construct (1) 38 Park Avenue at the Cebu IT Park, a 38-storey high-end residential condominium, and (2) Park Avenue Corporate Center, a Grade A office building with over 20,000 sq.m. of leasable area. Its principal office address is at Base Line Center, Juana Osmeña St., Brgy. Kamputhaw, Cebu City. The Company has a 35% stake in El Camino.
- (14) CHDI, a JV of Aboitizland and CLI, was recently incorporated on December 5, 2019 to develop a high-rise mixed-use condominium complex, with sellable and leasable units, in a 12,405 sq.m. lot area in Mandaue City, Cebu. The Company has a 50% stake in Aboitiz CLI Cebu Developers, Inc.
- (15) CBLRV was incorporated on February 21, 2020, as an undertaking between CLI and BBEI and is engaged in the development of a mixed-use condominium tower in Cebu City. Its principal place of business is located in Cebu City.
- (16) MMDC was incorporated on August 1, 2013, to undertake and execute land reclamation projects, submit bids, and accept awards for reclamation projects, and manage, hold, and sell reclaimed land and other real property. MMDC is the private consortium that has proposed to undertake the Ming-Mori Reclamation Project of the Municipality of Minglanilla, which involves the development of the Minglanilla TechnoBusiness Hub, a 100-ha. techno-business park in the progressive town of Minglanilla, a mere 30 minutes away from Cebu City. The Company has increased its stake to 78% from 20% in MMDC in 2021. This transaction enabled CLI to become the project manager and principal developer of the reclamation project.
- (17) GGTT was incorporated on March 26, 2003 and is engaged to construct a residential condominium project in its principal place of business in Iloilo City. On June 16, 2020, CLI acquired 50% ownership in GGTT to obtain a controlling interest in the company, however, the transaction was accounted for by the Group as an asset acquisition as discussed in Note 7 in the Audited Financial Statements. During the first quarter of 2021, GGTT started commercial operations, and is now considered as a subsidiary of CLI.
- (18) SPE was formed in 2019 as a one-person corporation and was converted into an ordinary stock corporation ("**OSC**") after entering into a JV with CLI on March 4, 2021, for the development of a dormitory with retail and warehouse spaces. The principal place of business of SPE is in Cebu City.
- (19) Magspeak was incorporated on October 21, 2011, to acquire, lease and develop lands into nature and eco-tourism parks in Balamban Cebu, and to manage, and operate the same. CLI holds a 25% stake in Magspeak.
- (20) ICOM was incorporated in December 2020 as an undertaking of CLI and various individual stockholders to import aircraft(s) and operate a transportation business in the Philippines. ICOM's principal place of business is located in Iloilo City.

- (21) IGCC was incorporated in 2023 as an undertaking between CLI and two other corporations and is engaged in the development of a mixed-use condominium tower in Iloilo City. Its principal place of business is also located in Iloilo City.
- (22) CLI NUD was incorporated on April 5, 2024 as an undertaking among CLI and NTTUDA for the development of a condominium project in Cebu City. The principal place of business is located at Cebu City. Despite CLI's legal ownership of 60% of CLI NUD, CLI NUD was accounted under equity method because half of its ownership in CLI NUD is classified as held for sale.[1] The 30% will be sold to another purely Filipino entity.

Legal control of CLI NUD remains with CLI. While the other shareholder does not exercise control over CLI NUD, it retains approval rights over certain corporate actions.

CLI also has an 18% stake in Tagbilaran Waterfront Development Corporation, which was incorporated on July 4, 2019 as a joint undertaking for the development of a reclamation project in Bohol.

On February 20, 2025, CLI received a digital copy of the SEC Certificate of Incorporation for CLI MAC Developers, Inc. ("**CLI MAC**"), dated the same day. CLI MAC is a joint venture between the Company and Martinez Agricultural Corporation ("**MAC**"), with the Company holding a 60% ownership interest and MAC holding 40%. The joint venture aims to develop properties into a mixed-use project featuring residential condominiums and a retail component.

On February 26, 2025, CLI's Board of Directors also approved the establishment of another wholly-owned subsidiary, CLI Luzon Ventures, Inc., subject to its formal incorporation and registration with the various government regulators.

Real Estate Landscape in Visayas and Mindanao

Based on Colliers Philippines' 2024 Real Estate Market Study, it was reported that CLI remained as "*The Leading Residential Developer in VisMin*", with the largest market share based on net sales take up among real estate firms that provide condominiums and house and lot projects in the region. The 2024 study shows that CLI leads the residential market with a 19% share of the overall residential market of the region. This is a 3% increase from last year's 16% share from the market research areas.

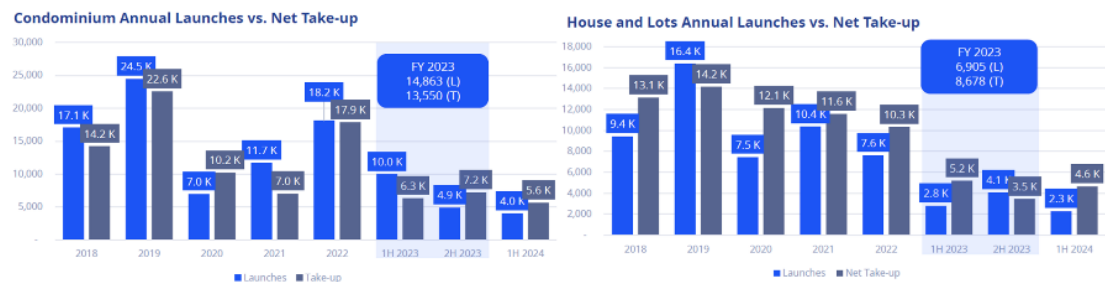
Figure 1. VisMin Residential Market Share



Source: Colliers Philippines

Figure 2. Launches vs. Net Take-Up

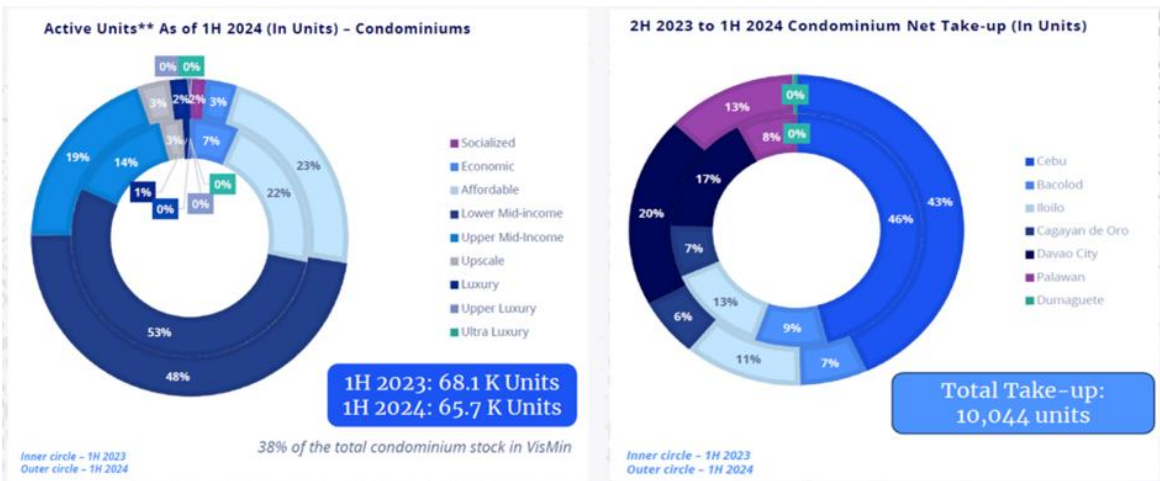
The 2024 Colliers Market Study also shows *that* launches are still on a downward trend due to increasing prices of land.



Source: Colliers Philippines

Figure 3. Supply of Condominiums and Supply of House and Lots

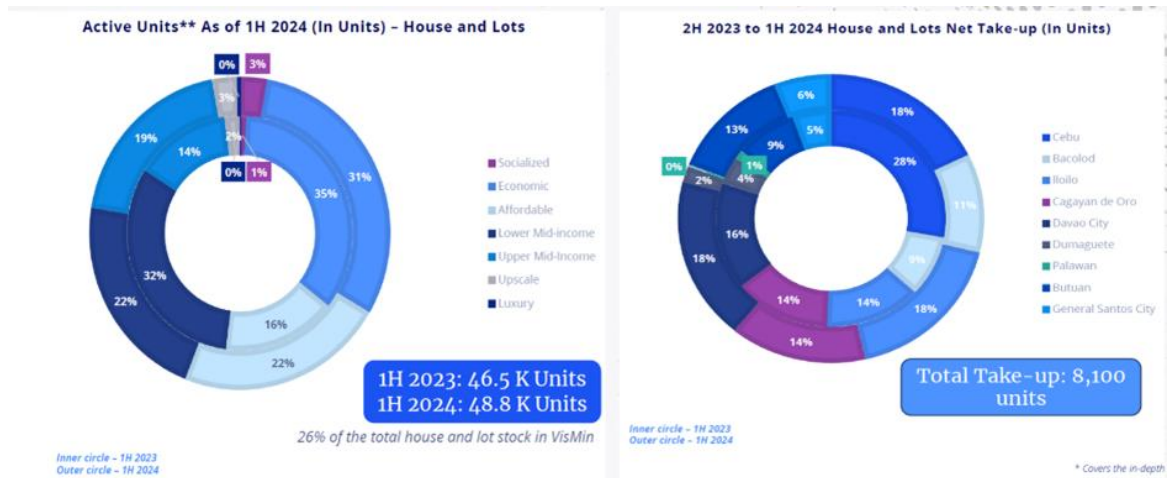
Overall condominium supply is largely for the lower mid-income market, with bulk of take up from Cebu.



Source: Colliers Philippines

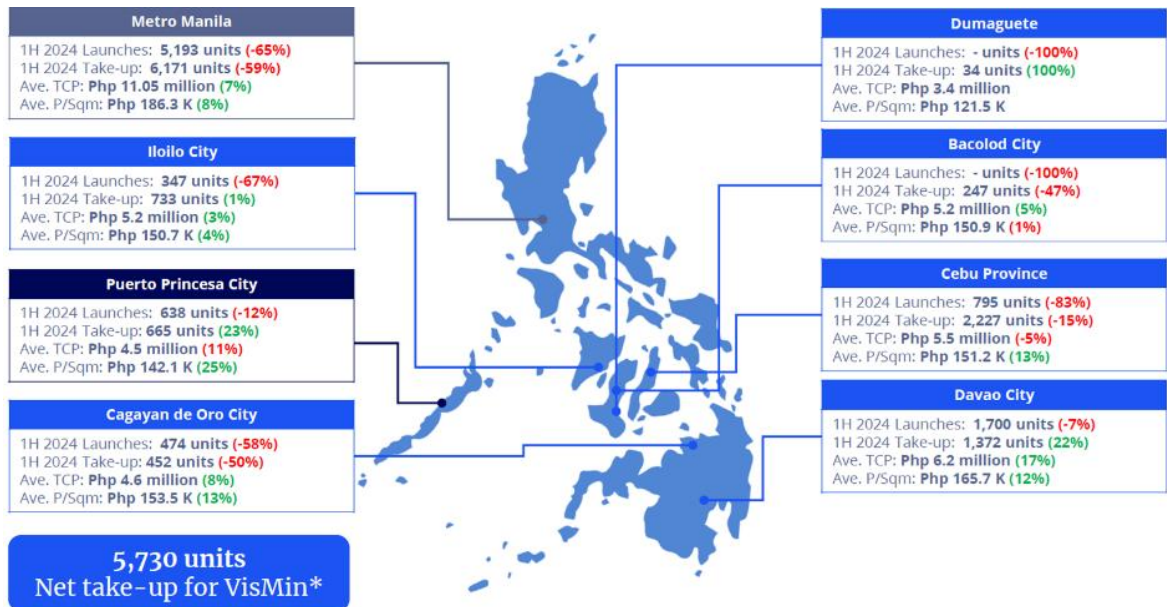
Figure 4. Supply of House and Lots

26% of H&L supply in VisMin are active and are largely for economic & lower mid-income markets, with bulk of take up from Cebu



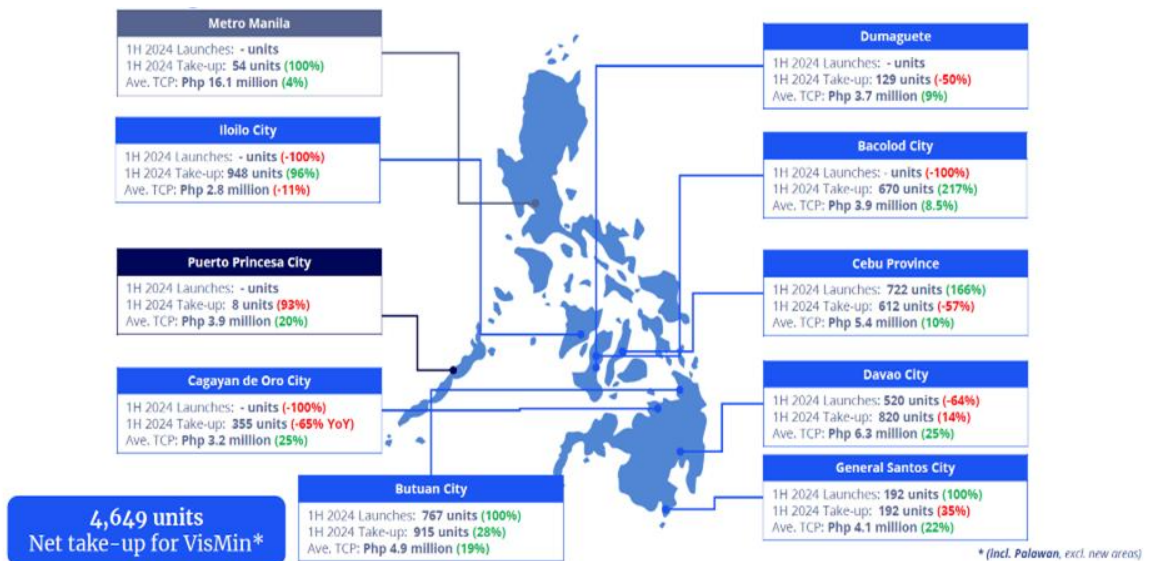
Source: Colliers Philippines

Figure 5. Pricing and Performance - Vertical Market (Including Palawan)
Among the research areas, Davao has the highest average price per sq.m. followed by CDO. Cebu comes third.

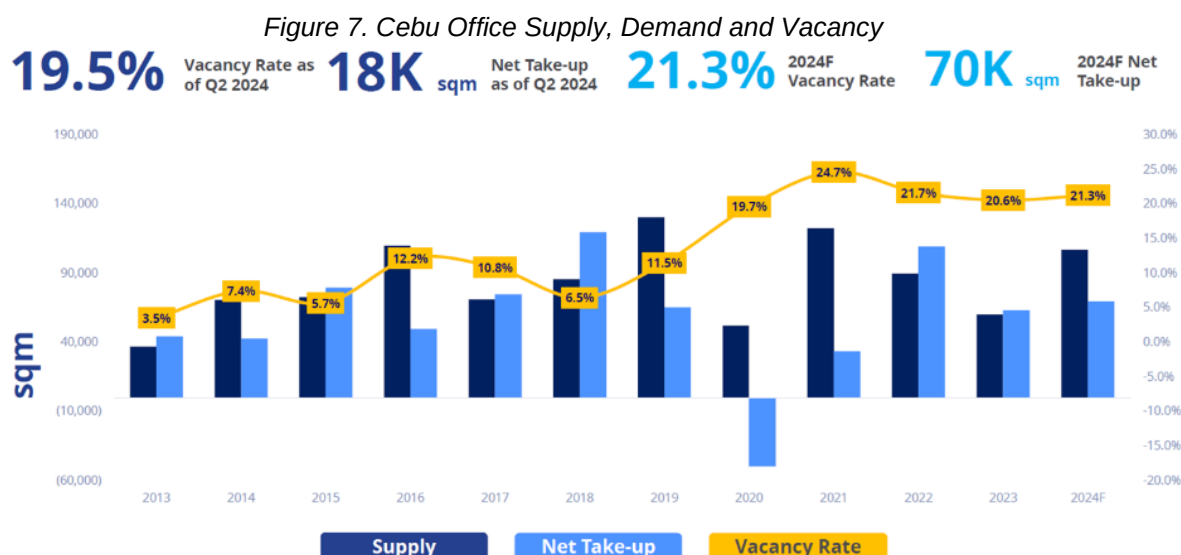


Source: Colliers Philippines

Figure 6. Pricing and Performance - Horizontal Market (Including Palawan)
Among the research areas, Davao has the highest average TCP followed by Cebu.



Source: Colliers Philippines



Source: Colliers Philippines

Figure 8. Hospitality Overall Stock and Breakdown in Metro Cebu

A total of 81 establishments remain operating after the pandemic in Metro Cebu, with Cebu City still having the greatest number of hotels with 45. Mandaue meanwhile, recorded the lowest number with 10 hotels.

Bulk of the establishments are 3-star hotels, with a total of 55 hotels falling under this category. This is enough to account for 68% of the total identified stock in terms of count.

This is also evident when looking at Cebu City alone, with 60%, or 27 of the total identified hotels in the city being 3-star hotels.

Looking at the available rooms, a total of 11,943 rooms were identified in the Tri-City of Cebu, with Cebu City accounting for 6,528 rooms or 55% of the total stock.

Again 3-star hotels dominate the market accounting for 49% (5,836 units) of the identified room stock.

Location / Star Rating	Number of Operating Rooms	% Share in the market	Location / Star Rating	Number of Operating Rooms	% Guest Rooms	% Suite Rooms
Cebu City	6,957	47%	Cebu City	6,957	90%	10%
5-Star	1,081	16%	5-Star	1,081	93%	7%
4-Star	2,542	37%	4-Star	2,542	89%	11%
3-Star	3,334	48%	3-Star	3,334	89%	11%
Lapu-Lapu	6,374	43%	Lapu-Lapu	6,374	84%	16%
5-Star	1,548	24%	5-Star	1,548	92%	8%
4-Star	1,277	20%	4-Star	1,277	59%	41%
3-Star	3,549	56%	3-Star	3,549	89%	11%
Mandaue City	1,523	10%	Mandaue City	1,523	87%	13%
4-Star	810	53%	4-Star	810	79%	21%
3-Star	713	47%	3-Star	713	96%	4%
Grand Total	14,854		Grand Total	14,854	87%	13%

Source: Colliers Philippines

Competitors

CLI is within the field of top industry players and local developers across its product range. The Company goes head-to-head with national players such as Vista Land, Megaworld Corporation, SM Development Corporation, Ayala Land Inc., 8990 Holdings, Aboitiz Land Inc., and DMCI Holdings Inc.

The Company also competes with established local developers in Cebu, and other parts of VisMin, like Profriends Inc., Primary Homes Inc., Wee Community Developers Inc., Johndorf Ventures Corporation, and Grand Land Inc.

The Company's direct competitors in the different markets tend to be the local developers entrenched in those cities. But the Company's advantage is the breadth and quality of its offerings while delivering them at the same competitive price points in their respective markets.

CLI uses its fundamental competencies – hands-on personalized service, local (*i.e.*, VisMin) real estate experience, strategic location selection, and responsible development – as well as its aggression, business productivity, and best value projects – to leverage itself against competitors.

Suppliers

Through a pre-qualification and bidding procedure, CLI obtains construction materials and services from third-party suppliers and partners both locally and nationally that fulfill the Company's stringent quality requirements. The Company does not foresee a shortage in raw materials or services for its operations as it establishes strong partnership with various stable and resilient suppliers and contractors.

The Company evaluates suppliers who can deliver the best value at the highest quality and at the lowest cost through its supply chain management team. CLI also selects suppliers that can provide safe and on-time delivery, as well as the ability to adapt and innovate in order to suit the Company's needs. Simultaneously, the Company has the appropriate internal controls, organizational structure, and financial sustainability to ensure the supplier's continued delivery as contracted.

On a project-by-project basis, the Company engages contractors to do land development and project construction. While CLI used to outsource architectural and engineering services for all its projects, the Company began undertaking engineering and architectural design to be developed internally allowing the Company to save on costs.

The following are the Company's top contractors and suppliers:

Supplier	Product / Service
Steelasia Manufacturing Corporation	Manufacturer of Deformed Bars
Vic Enterprises	Supplier of Cement & Hardware Materials
Filmon Hardware, Inc.	Sanitary and Hardware Materials
WSG Properties of Visayas, Inc.	Supplier of Cement, Rebars, & Hardware Materials
Phelps Dodge Philippines Energy Products Corp	Supplier of Electrical Wires and Cables
Worldwide Interiors Design Center	Supplier of Finishing Materials
Matimco Incorporated	Supplier of Wooden Doors
Cohaco Merchandising & Dev.	Supplier of Cement
Cebu Oversea Hardware Co., Inc	Supplier of Finishing Materials
Emerald Vinyl Corp.	Manufacturer of PVC Pipes
Dakay Construction & Development	General Construction Works
Carwill Construction Incorporated	General Construction Works
Castcrete Builders Inc	General Construction Works
Young Builders Corporation	General Construction Works
Fasclad Inc.	Glass and Aluminum Works
JITS Construction Corporation	General Construction Works
IVM Phils. Services & Contractor	Electrical Works
RKF Industrial & Installation	Plumbing/Sanitary Works
Cigin Construction & Development KPI Elevators, Inc.	Land Development Works Conveying Systems

As mentioned above, CLI engages third-party suppliers and contractors through a pre-qualification and bidding procedure thus, CLI is not and does not anticipate to be dependent upon one or limited number of suppliers and contractors.

Construction Contracts

For each horizontal and vertical development, the Company engages various general and specialty contractors with both local and national experience. Majority of the Company's construction contracts pertain to general construction works and house construction. For this purpose, the Company executes standard construction contracts which contains provisions governing the relationship, rights, and obligations of the parties, including the contractor's scope of work, bonds and insurances, completion time, and responsibility of the contractor for any damage or destruction of works until final acceptance.

With over 200 engineers in its roster, the Company handles the project and construction management aspect of every project and manages the various contractors and subcontractors that are utilized. As the project manager, the Company controls the delivery of its projects with priority on promptness, quality, and professionalism. The Company does not have any in-house construction or any affiliated general contracting business.

Customers

CLI caters to several real estate categories – residential, retail, offices, and hotels. Among the four categories, the Company's experience in the industry has been primarily focused on residential development which comprises 78.7% of the total number of projects.

Of the Company's residential real estate developments, 38% of CLI's horizontal and vertical projects serve the needs of the mid-market. Fast-selling projects like Midori Residences, Midori Plains, Velmiro Heights, Mivesa Residences, MesaVerte Garden Residences, Velmiro Uptown CDO, and Mivela Garden Residences show the growing demand for new, well-built, well-planned, and strategically located homes for the mid-market segment. CLI's mid-market clients are those who can afford a monthly equity payment of ₱8,000.00 to ₱15,000.00 and an annual income of ₱400,000.00 to ₱800,000.00.

The Company also caters to the upper-mid market segment who can afford a monthly equity of ₱15,000.00 to ₱20,000.00 and earning ₱1.00 million to ₱3.00 million annually. These market segments prefer units at a price range of ₱5.00 million and above.

Casa Mira and Garden Series, CLI's best-selling brands, comprise 32% and 54% of the Company's reservation sales for 2024. High-end residential developments are at 10%, driven by the ongoing sales from Costa Mira Beachtown Mactan and Panglao.

Employment Profile	%	Citizenship	%	Marital Status	%
Locally employed	52.21%	Filipino	88.02%	Married	50.74%
OFW	35.34%	Foreigner	3.71%	Single	47.22%
Self-Employed	12.45%			Others	2.04%

For its leasing business, the Company's top lessees include BPO companies, supermarkets, service providers and food establishments.

CLI is committed to continuously addressing the growing needs and demand of the market in each segment the Company caters to. CLI aims to constantly innovate, and remain consistent with the quality of the developments, the selection of location and the hands-on service that goes along with it.

The Company has over 27,000 different live sales contracts and no single contract accounts for 20% or more of CLI's sales. These are all different and distinct individual buyers.

CLI has a wide customer base and thus, is not dependent on a single or a few customers. Consequently, the Company is of the view that the loss of one or a few customers (e.g., cancellations of purchase, lease contracts) will not have a material adverse effect on the Company and its Subsidiaries.

CLI uses standard Contracts to Sell for the sale of its units, whether house and lot, condominiums, condotels, or offices. It contains all the necessary terms and provisions until such time that a deed of absolute sale can be executed by both parties. A deed of absolute sale is executed upon the complete submission of necessary documents, full payment of the purchase, the proper subdivision of the mother titles and other such necessary administrative procedures to ensure the eventual transfer of the individual title to the respective buyers. No one sales contract contributes to more than 1% of the Company's overall revenues.

Leases for retail spaces within CLI's mixed-use developments, as well as office spaces within its office developments are generally short-term ranging from one to three years, with renewability clauses. Leases are fixed rates with predetermined escalation clauses. No one leasing contract or tenant group contributes to more than 1% of the Company's overall revenues.

Related Party Transactions (RPTs)

RPTs are transfers of resources, services, or obligations between CLI and its Subsidiaries (the "Group") and its related parties, regardless of whether a price is charged.

Below are RPT transactions of the Company as of December 31, 2024:

Name of Related Party	Nature of Relationship	Net Receivable (Payable) Balance as of 31 December 2024	Other relevant terms (e.g., nature of RPT; repayment terms)
BL Ventures	Subsidiary; JV	123,008,930.35	The net balance primarily pertains to CLI's shareholder advances which serve as temporary working capital in support of the JV entity. As agreed between the parties, the repayment terms are contingent on the liquidation of the JV entities' receivables, increase in takeouts, and positive cash flow.
El Camino	Subsidiary; JV	8,335,645.03	The balance pertains to management fees for administrative and operational services.
YES	Subsidiary; JV	2,907,762.69	
CBLRV	Subsidiary; JV	3,054,447.96	This pertains to management fees for administrative and operational services.
CHDI	Subsidiary; JV	238,410,158.92	These pertain CLI's shareholder advances which are essentially capital contributions in nature to support the needs and requirements of the JV entity.
GGTT	Subsidiary; JV	22,750,970.83	These primarily pertain to CLI's shareholder advances which are essentially capital contributions in nature to support the needs and requirements of the JV entity.

MGRI	Subsidiary; JV	277,897.50	This pertains to management fees for administrative and operational services.
CCLI	Subsidiary; JV	105,745,410.67	These primarily pertain to CLI's shareholder advances which are essentially capital contributions in nature to support the needs and requirements of the JV entity.
YHES	Subsidiary; JV	3,870,735.56	This pertains to management fees for administrative and operational services.
YHEST	Subsidiary; JV	5,321,762.19	This pertains to management fees for administrative and operational services.
SPE	Subsidiary; JV	23,128,188.35	These primarily pertain to CLI's shareholder advances which are essentially capital contributions in nature to support the needs and requirements of the JV entity.
CLITE	Subsidiary; JV	880,948.68	This pertains to management fees for administrative and operational services.
Total		₱537,692,858.74	

The Group's RPTs also include advances to related parties, management fees, real estate sales to the ultimate parent company, contracted services, and real estate sales to key management personnel.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Pursuant to CLI's RPT Policy, related parties include: (a) a person or close member of that person's family who has control or joint control of the Company; or is a key management personnel of the Company, its parent, subsidiaries or affiliates; (b) a substantial shareholder, who is any person who is directly or indirectly the beneficial owner of more than 10% of any class of its equity security; (c) an entity is a related party if it and the Company are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others); the entity is an associate or JV of CLI or vice-versa, or an associate or JV of a member of a group of which the other entity is a member; the entity is a postemployment benefit plan; the entity has a management contract or any arrangement granting power to the Company to direct or cause the direction of management and policies of the entity, or vice-versa.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form. The Office of the CFO, together with the Compliance Officer, undertakes regular identification, review, and evaluation of the Company's related parties and RPTs, which are submitted to the Board RPT Committee either for information or approval, depending on whether the RPT breaches the RPT threshold set by the Company or is otherwise a Material RPT.

Pursuant to its RPT Policy, CLI sets an RPT threshold of ₱50.00 million (“**Covered Transaction**”).

RPTs involving an amount of at least ₱50.00 million, or its equivalent are submitted to the RPT Committee for review and pre-approval. If approved, these are then endorsed to the CLI Board for subsequent approval and/or ratification.

All RPTs breaching the ₱50.00 million threshold have been approved by the RPT Committee and CLI Board, and as supported by its respective minutes of meetings and committee/board resolutions. For the period ending December 31, 2024, this included the approval of shareholder advances to related party JV entities, real estate purchases from related party JV entities, and procurement of contracted services from other related parties.

Further thereto, CLI also observes the 10% Material RPT threshold as prescribed by the SEC. Material RPT pertains to any RPT, either individually or in aggregate over a 12-month period with the same related party, amounting to 10% or higher of CLI’s total assets based on its latest AFS. All individual material RPTs and aggregate material RPTs shall be approved by at least two-thirds vote of the Board of Directors, with at least a majority of the independent directors voting to approve the material RPT. In case a majority of the independent directors’ vote to approve the material RPT is not secured, it may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. Before the execution of a material RPT, the Board may appoint an external independent party to evaluate the fairness of the terms thereof and evaluate if the transaction is done on normal market terms. Within three calendar days from the execution of any material RPT, CLI, through the Corporate Secretary, shall submit an Advisement Report to the SEC. There were no RPTs that breached the 10% Material RPT threshold of the SEC for CY2024.

Other RPTs not breaching the ₱50.00 million RPT threshold, or the 10% Materiality threshold, are still required to be disclosed and reported to the Board RPT Committee through quarterly RPT reports prepared and presented by the CFO and the Compliance Officer, for information purposes only. RPTs of this nature do not require approval of the RPT Committee and/or the Board of CLI.

Please refer to the discussion on “*Certain Relationships and Related Transactions*” under the section on “*Management and Certain Security Holders*”.

Government approvals/regulations

The Company and its Subsidiaries secure various government approvals, permits, and licenses required and necessary for their business operations, including their respective projects, as part of their ordinary course of business. CLI does not foresee any material adverse effect of existing and future government regulations on the business of CLI and its Subsidiaries.

As of the date of this report, CLI and its Subsidiaries have obtained the required and necessary material governmental approvals, permits, and licenses issued by the relevant government bodies or agencies. For those required for specific ongoing projects, CLI or the relevant Subsidiaries has either secured such governmental approvals, permits and licenses or is currently processing said permits and are pending issuance by the relevant government agency.

The effects of existing and probable governmental regulations on the business are further discussed in the section “*Regulatory Framework*.”

Project Development

The table below refers to the amount spent on project development activities, and its percentage to revenues during each of the last three fiscal years.

In millions	2024	2023	2022	2021
Revenue	₱19,525	₱18,818	₱15,657	₱11,162
Capital Expenditures on Project Development	10,157	10,536	7,625	7,792
Ratio	52.02%	55.99%	48.70%	69.81%

Capital Expenditures refers to actual cash disbursements made by the Company on its developments.

Health, Safety, and Environmental Matters

The Company is subject to a number of laws and regulations relating to the protection of the environment and human health and safety, including those governing air emissions, water, and wastewater discharges, and odor emissions and the management and disposal of hazardous materials. The Company applies its quality standards uniformly across all its production and distribution facilities.

CLI continues to work towards business process improvement and business model innovation and explore strategies on how sustainable practices can best be applied or embedded in the value creation process. All these add value in the process of risk identification and mitigation, thereby reducing identified corporate risks.

Effect of Compliance

Companies are faced with a high cost of compliance, but in general the benefits outweigh the cost. For FY2024, the costs of compliance with regulatory requirements including environmental laws and development of green features and other initiatives to mitigate environmental impacts amounted to more than **₱87.19** million recorded as part of operating expenses and as project cost. The capitalized costs primarily pertain to costs on project green design features, sewage treatment plants electro-mechanical system works, green building certifications, geotechnical investigation, engineering and geohazard assessments, soil investigation, drainage impact assessment, tree growing program and other expenses related to the ECC post conditions compliance requirements, while the operational costs pertain to permits and licenses.

Given the scale of the Company's operations, environmental compliance is a means for CLI to ensure that impacts of environmental risks are mitigated. The Company's land development activities have direct impacts on the environment. The Company's use of materials, and waste disposal can affect soil and water as well as biodiversity and habitats while emissions from construction and operations have an impact on air quality.

In response to the Company's potential environmental impacts, CLI established a team dedicated to managing and monitoring compliance. The External Affairs / Permits and Licenses Department, the Company's Strategic Business Units, and CLI Property Management and Engineering ensure that the Company complies with relevant environmental laws. The Company's in-house Pollution Control Officers submit a quarterly Self-Monitoring Report and bi-annual Compliance Monitoring Report to the DENR-Environmental Management Bureau ("**EMB**").

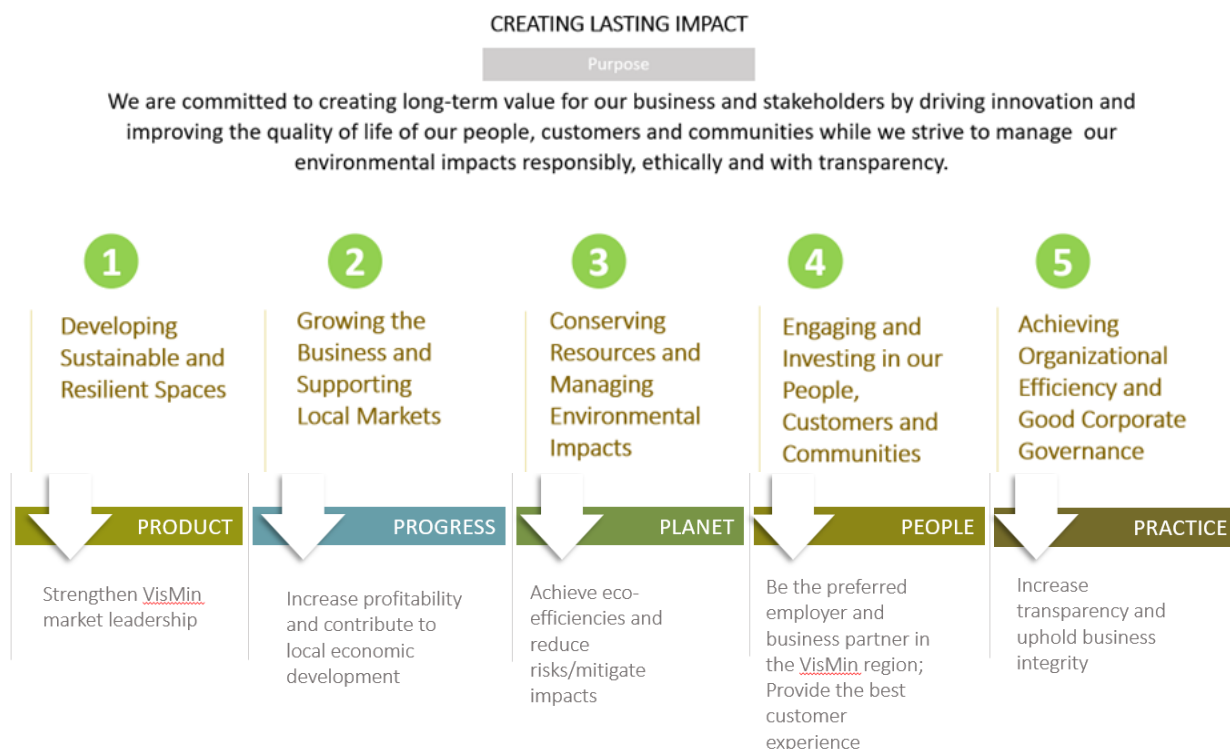
The Company neither had recorded cases of nor received sanctions for non-compliance with environmental laws and/or regulations in 2024. This attests to the effectiveness of the Company's mechanisms in ensuring compliance. In the future, the Company aims to improve its system by investing in internal training and third-party advisories to monitor full compliance to the environmental laws and regulations and correct any non-compliance issues that may occur.

For CLI, compliance to sustainability, particularly environmental, social, and governance standards and regulatory requirements has helped the Company make better and more efficient decision making. This exercise has served to reinforce CLI's risk assessment and management. Social and environmental data baselining and compliance monitoring have supported the establishment of the Company's sustainability strategy aligned to its enterprise risk management.

CLI continues to work towards business process improvement and business model innovation and explore strategies on how sustainable practices can best be applied or embedded in the value creation process. All these add value in the process of risk identification and mitigation, thereby reducing identified corporate risks.

ESG Reporting Process and Governance

CLI'S 5-PILLAR SUSTAINABILITY STRATEGY



Being a publicly listed company, CLI has complied with the requirements of the SEC on the aspect of Sustainability and Environmental, Social and Governance (“**ESG**”) reporting. CLI published its first Integrated Report covering 2021 performance. Having been able to systematically account its positive and negative impacts, the Company’s financial, natural, social, manufactured, and human capitals and other non-financial metrics have driven the Company to identify aspects that are most material to the business and to its stakeholders, thereby having the mindset of going beyond compliance --- through process improvements that allow the Company to reduce its negative impacts and increase its economic contribution in the local communities where it conducts business.

Enhancing Brand Value and Market Leadership

Reporting on financial and non-financial metrics draws the attention not just of investors but also of its consumers. The Company recognizes that society demands more companies serve a higher purpose than just delivering a strong financial performance. By complying with the requirements of balanced reporting, the Company’s stakeholders and the external public are informed about its impacts, performance, and contributions. Compliance with social, environmental, and other regulatory and statutory requirements has propelled CLI to develop

more products, more than half of which are addressing a housing demand in the VisMin region. CLI believes that its compliance submissions have helped it to maintain a strong presence in the VisMin markets.

With the Company's strong relationships with partner LGUs, broker community, and its JV partners, CLI is considered a trusted brand. CLI has 19% market share in the VisMin in terms of overall net-take up of residential units for vertical and horizontal developments, according to a survey undertaken by Colliers Philippines in the first half of 2024. As a result, CLI has strengthened its position as the leading residential developer in the VisMin region.

CLI has responded well to the increasing market demands of VisMin, outpacing other developers in finishing construction and delivering completed units to its customers.

In 2024, an independent study by Colliers International reaffirmed CLI's leading position in the VisMin residential market. The study identified CLI as the top residential developer in the region, having the largest market share among real estate firms. With a 19% overall residential share in net take-up value, CLI continues to grow market share in key VisMin cities, indicating increasing consumer confidence and recognition in the market.

This success was further validated at the PropertyGuru Philippines Property Awards, where CLI was named Best Developer in Mindanao for the fourth consecutive year, among other notable awards and commendations from various institutions. The company's commitment to high governance standards was also acknowledged with a 2 Golden Arrow award from the ICD for the second year running, further reinforcing CLI's reputation for sound corporate governance.

CLI Workforce, Customers, and Communities

On the aspect of talent acquisition, being purpose-driven and compliant to regulatory and statutory requirements, especially on labor laws, has definitely given CLI a competitive advantage. By defining the Company's priority areas through a materiality process, CLI is provided guidance and as a result the Company is able to attract and retain top caliber talents. Employee engagement activities use themes that relate to sustainability, safe, and healthy workplace practices, and cultivating a culture of innovation among departments and cross-functional teams. All these programs help attract, continue to develop, and retain talents within the organization.

On the aspect of health and safety, CLI recognizes that consumer behavior has dramatically changed in recent years, especially with the onset of the pandemic. Society has been driven to pay more attention to health, safety, and environmentally healthy lifestyle. Compliance and reporting on DOLE-mandated safety protocols and other pandemic response programs have resulted in better work conditions, lesser exposure to diseases and COVID-19 cases, reduced absences and therefore, better productivity which result in better operational and financial performance.

While CLI grows its business, it has built and strengthened its relationships by partnering with local communities and complying with requirements of LGUs and national government agencies. This serves as the Company's social and relationship capital that gives it social license to do business in the local area.

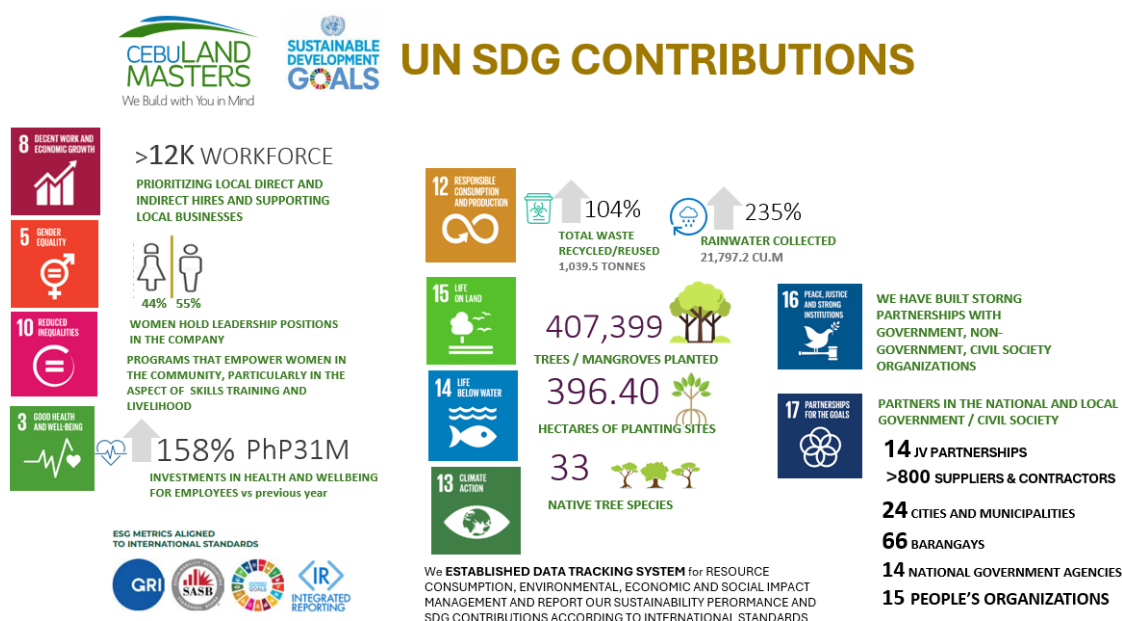
Resource Use, Managing Impacts, and Biodiversity Management

With the significant increase in oil price brought about by the Russia-Ukraine war and with continuing water supply issues in the local areas, there is a need to reduce the Company's resource consumption, including the need to be less energy-dependent. The necessity of introducing energy and water saving initiatives was further driven by the Company's data management tools that will allow it to target reduction of energy and water use in its real estate project developments. In addition, compliance with environmental laws and standards has

propelled the Company to introduce product design innovations or the application of green building features in its projects that will help reduce consumption. In addition, compliance to post-conditions of its ECCs have driven the Company to assess, protect, and enhance its ecosystems within or adjacent to its developments and even focus on climate change-related financial impacts as the Company develops more projects in the future.

Contribution to United Nations' Sustainable Development Goals ("UN SDG")

Focus on UN SDG contributions ensures that CLI's products, programs, and initiatives contribute to the alignment and achievement of global sustainability goals. This means that the Company's products, programs, and initiatives address local issues and contribute to the local economic development of the area where the Company does business, without losing sight of the overall global issues that face the world today.



Employees

The Group has a total of 914 employees, broken down in entities and department as follows as of December 31, 2024:

Department/Company	Employees
Parent Company	
Engineering	202
Sales	78
Accounting and Tax	82
Treasury	87
Business Development	25
Technical Planning	30
Permits & Licenses	18
Registration and Records Management	57
Property Management	63
Accounts Management	58

Customer Relations - Turnovers	31
Customer Relations - Services	22
Human Resources & Admin	32
Marketing	20
Supply Chain Management	21
Corporate Finance	16
Digital Innovation IT	14
Legal	8
Internal Audit	5
Commercial Leasing	13
ERM	1
CLI Hotels-Support	6
Top Management	6
Total	908
Subsidiaries	
CLPM	120
CPH	33
CLI Foundation and Sustainability	1
Total	138
GRAND TOTAL	914

The Company maintains a competent and dynamic team of professional executives and managers engaged in the management of the business. Efforts to professionalize the Company over the last 20 years are evident as the Company has grown from two employees to a dynamic team of executives, managers, officers, and staff instilled with the Company's brand of professional work ethics and strong corporate values.

In 2024 CLI was officially certified as a **Great Place to Work**, a prestigious recognition awarded by the global authority on workplace culture. This certification was achieved following a comprehensive company-wide survey, where 93% of employees affirmed that CLI is a great workplace, significantly surpassing the Philippine average of 65%

The Company has 914 number of full-time employees as of end 2024, across all business segments and administrative functions. The Company anticipates that it will have around 1,000 full time employees within the next 12 months.

CLI employees are not subject to collective bargaining agreements. Its employees have not been on strike in the past three years, nor are they threatening to strike.

CLI has a Savings Program Prior to Normal Retirement (“**SPP**”) which is incorporated in its Amended Retirement Plan. The SPP serves as the retirement plan for all CLI regular employees who resign prior to the optional retirement age of 60 years old or the mandatory retirement age of 65 years old. The equivalent of 5% of the employee's basic salary is set aside by CLI every month while the employee remains in the employ of CLI.

Upon resignation, the employee will be entitled to his or final balance as follows:

Vested Benefit %	Number of Continuous Service (from January 01, 2015)
0%	Less than 5 years
50%	5 years
60%	6 years
70%	7 years
80%	8 years
90%	9 years
100%	10 years and above

Given the above, a qualified CLI employee will be entitled to and avail either the 1) Normal Retirement benefits as mandated by law or 2) the Vested Benefits under the SPP, whichever is higher.

ITEM 2. DESCRIPTION OF PROPERTIES

Land Inventory

Using its location selection criteria, the Company and its Subsidiaries have invested in properties located in strategic areas in VisMin which they believe to have high future appreciation potential for its existing and future development projects. The table below enumerates the parcels of land owned by the below entities.

Location	Primary use	Ownership	With Security Interest?	Total Area (in sq.m)
Minglanilla Cebu	Residential	CLI	No	18,369
Naga San Fernando, Cebu	Residential	CLI	No	16,718
IT Park, Lahug Cebu	Residential	El Camino	Yes	5,828
Matina Davao City	Residential	YHEST	No	197,150
Riverside Davao City	Residential	YHES	No	20,247
Mactan Cebu	Residential	CLI	Yes	12,641
Puerto Princesa, Palawan	Residential	CLI	No	6,478
Juana Osmeña St, Cebu City	Residential	CLI	No	1,300
AS Fortuna	Residential	CLI	No	387
Tabok, Mandaue City	Residential	CHDI	No	24,623
Panglao, Bohol	Residential	CLI-LITE	No	27,166
Manresa, CDO	Residential	CLI	No	115,956
Bogo, Cebu	Residential	CLI	No	23,128
Danao, Cebu	Residential	CLI	No	7,730
Consolacion, Cebu	Residential	CLI	No	53,023
Talamban, Cebu	Residential	CHDI	No	38,733
Butuan City	Residential	CLI	No	65,497
Banilad, Cebu	Residential	CLI	No	1,181
Gensan City	Residential	CLI	No	210,093
Macabug, Ormoc	Residential	CLI	No	226,857
Total				1,072,719

Other Assets

As of December 31, 2024, the Company's other properties consist of Property and Equipment and Investment Property amounting to ₱9.17 billion and ₱19.44 billion, respectively.

For the carrying amounts and movements of the Company's Other Assets, please refer to Notes 10 and 12 in the Unaudited Interim Consolidated Financial Statements as of December 31, 2023.

Rental Properties

In addition to its land inventory, the Company owns several rental properties, including available commercial and retail spaces in its completed projects, which are currently used by the Company, or leased out to third parties to generate recurring income.

Among the projects with commercial spaces leased out to tenants are:

Project	Location	Type	GLA (In sq.m.)
38 Park Avenue	Cebu IT Park, Cebu	Retail	903
Asia Premier Residences	Cebu IT Park, Cebu	Residential and Retail	1,033
Banilad High Street	Banilad Road, Cebu	Retail	1,311
Base Line Center Phase 1	Juana Osmeña St., Cebu	Office and Retail	5,357
Base Line Center Phase 2	Juana Osmeña St., Cebu	Office and Retail	1,561
Base Line Center HQ	Juana Osmeña St., Cebu	Office and Retail	837
Base Line Residences	Juana Osmeña St., Cebu	Residential and Retail	265
Casa Mira South	Naga, Cebu	Retail	193
Casa Mira Towers Guadalupe	Guadalupe, Cebu	Retail	1,611
Casa Mira Towers Labangon	Labangon, Cebu	Retail	818
Davao Global Township	Matina, Davao	Office and Retail	8,713
Latitude Corporate Center	Cebu Business Park	Office and Retail	11,969
MesaTierra Garden Res	Davao	Retail	82
MesaVerte Residences	Osmeña Ext., CDO	Retail	155
Midori Residences	AS Fortuna Mandaue, Cebu	Residential and Retail	42
Mivesa Residences	Lahug, Cebu	Residential and Retail	246
Old Patria	P. Burgos St., Cebu	Office and Retail	632

Park Centrale	Cebu IT Park, Cebu	Office and Retail	4,279
Velmiro Heights	Tunghaan, Minglanilla	Residential	566
TOTAL			40,573

The Company's residential leases have an average term of one year, while the Company's commercial leases have an average term of three to five years, both renewable upon mutual agreement of parties. Sixty days' notice is required from tenants for the extension or pre-termination of their leases, and a two-month security deposit is paid at the commencement of the lease. The Company charges rent as a fixed rent per sq.m., which may be subject to an escalation clause.

In its leases with its related entities, the Company observes arm's length commercial terms and considers the current rentals payable by tenants of the condominium units and parking slots that are operational at presently reflect prevailing market rents.

Leased Properties

The Company leases, from third parties, properties for use as office space and staff houses of its employees located on sites outside of Cebu.

In 2019, with the approval of the National Historical Commission of the Philippines, CLI entered into a 40-year lease contract with the Archdiocese of Cebu to redevelop Patria de Cebu, a 6,670 sq.m. property in downtown Cebu. This mixed-use development's concept and design is inspired by Filipino-Spanish culture, history, and architecture.

In 2020, the Company signed a 43-year lease contract to develop Masters Tower Cebu, a mixed-use tower located at Cebu's preferred business address, Cebu Business Park. The project will be on a 2,840 sq.m. property and will offer prime office and retail spaces and the first five-star luxury hotel in Cebu City. Sofitel, Cebu City will be operated by multinational chain Accor, a world leading hospitality group headquartered in France.

SPE was formed in 2021 by CLI and the Farrarons family as a JV. The JV will build a mixed-use development on a leased property with a 22-year term remaining. The project, now named Banilad High Street, will include retail areas as well as a 300-room dormitory.

The properties being leased by the Company and its subsidiaries are summarized as follows:

Property	Area (sq.m)	Lease rate	Location	Start of Term	Term	Renewal Options
Land	6,670	Monthly rent of ₱150.00 per sq.m. with 5% escalation every two years	Colon, Cebu City	2019	40 years	None
Land	2,804	Monthly rent of ₱1,000.00 per sq.m. with 5% escalation every two years	Cebu Business Park	2019	43 years	None
Land	7,595	Monthly rent of ₱132.00 per sq.m. with 5% escalation annually	Banilad, Cebu City	2021	22 years	With option for renewal (i.e., 30 days prior to the expiration)

Land	4,034	Monthly advance rent of ₱70.98 in the first 3 years, and monthly rent of ₱79.50 per sq.m. with 2.5% escalation annually thereafter	Mandaue City	2022	30 years	With option to renew for another 30 years after expiration

Mortgage, Liens, and Encumbrances

CLI has 124 principal owned properties valued at ₱38.72 billion and located across VisMin with 95 residential projects, 6 office buildings, 10 hotels, 10 mixed-use projects and 3 estates. Of these properties, ₱37.56 billion are mortgaged with different local bank partners whose development loans are not yet fully paid while ₱4.13 billion are clean and free of any lien.

In Billions ₱	Mortgaged	Clean	Total
Real Estate Inventories	11.78	1.30	13.08
Property and Equipment	8.26	0.91	9.17
Investment Properties	17.52	1.93	19.45
Grand Total	37.56	4.13	41.70

Please see above table under the heading “*Land Inventory*” in this section “*Description of Property*” for the parcels of land subject of a security interest.

Under Section 18 of Presidential Decree No. 957, no mortgage on any unit or lot shall be made by the owner or developer without prior written approval of the HLURB (now DHSUD). Accordingly, before the Company mortgages properties being used for its condominium or subdivision projects, it ensures compliance with the said law and its implementing regulations.

Properties of the Company and its Subsidiaries, in which particular projects have been developed, are also subject to restrictions arising from the nature of such projects. For instance, certain properties over which a condominium building project has been constructed would have restrictions annotated on the title of such property arising from the Master Deed restrictions on the use of the property for condominium use.

Property under mortgage restricts the debtor from selling, alienating, incurring, taking on, or allowing to exist any other mortgage, lien, pledge, or other charge or encumbrance upon or with respect to any or all of the debtor’s present or future fixed assets, machineries, and equipment other than in the normal course of its business. Additionally, in order for a property to be free of restrictions, the debtor is required to obtain prior approval from the bank (creditor) and the related loan obligation on which the property is mortgaged must be fully satisfied.

Within the next 12 months, the Company intends to purchase parcels of land for expansion projects in the cities of Luzon, Cebu, Davao, and Iloilo, which are still pending negotiations with their respective landowners. Acquisition prices are still being negotiated and will be determined in full after the contracts are executed. These sites will be purchased with funds that CLI has generated internally.

Likewise, properties being leased by the Company are subject to typical lease-related limitations on usage, *i.e.*, for office use only.

Insurance

CLI procures insurance coverage required by relevant laws and regulations for its real and personal properties and requires contractors to submit performance Offer Shares, marine

insurance policies, and other sureties for its covered activities. Throughout the construction stage, the Company also maintains a contractor's All-risk Insurance for each of its projects, subject to customary deductibles and exclusions. For completed projects, the Company likewise requires homeowner's associations and condominium corporations to obtain fire and allied risks insurance as part of the master deed for these projects.

Intellectual Property

CLI ensures compliance with intellectual property laws and regulations, including guidelines and issuances of the Intellectual Property Office of the Philippines ("IPOPHL"). CLI recognizes the importance of its trademarks as among its valuable assets and helps distinguish CLI's products and services from competitors. Thus, protection of its trademarks is a priority of CLI.

ITEM 3. LEGAL PROCEEDINGS

As of December 31, 2024, CLI is not a party to, nor are any of its properties the subject of any pending material litigation, arbitration, or other legal proceeding, and no litigation or claim of material importance is known to the management and the directors to be threatened against CLI or any of its properties, except for ongoing legal proceedings involving the Company, as summarized below:

CASE NAME	COURT / AGENCY	RELIEF SOUGHT	SUMMARY AND LATEST STATUS
Wood Innovation Trading, Inc. v. Sps. Bouffard and Cebu Landmasters, Inc.	RTC Br. 41, Dumaguete City	Annulment of Sale, Certificates of Titles, Tax Declarations, with Recovery of Ownership and Damages	The Plaintiff alleged that it had prior rights over two properties that the Company acquired in March 2017. Accordingly, the Plaintiff is seeking ₱10.70 million in damages and cancellation of the titles issued to the Company. CLI maintains its defense that there is no double sale and that it had no knowledge of its co-defendant's alleged prior transaction with the Plaintiff. On August 20, 2019, the Regional Trial Court in Dumaguete City dismissed the Plaintiff's claims. Nonetheless, the case remains pending as the Plaintiff refiled the case and the Company pursued its

			counterclaim of ₱800.00 million against the Plaintiff. A decision dated October 24, 2024 was issued dismissing the civil case. The Plaintiff subsequently filed a Motion for Reconsideration (MR) and an Opposition to the MR was filed by CLI. The parties are awaiting the court's decision on the filed MR.
Pag-IBIG FUND – WTCI Condominium Corporation v. J.E. Abraham Lee Construction and Development Inc., Cebu Landmasters, Inc., and BL CBP Ventures, Inc.	RTC Br. 9, Cebu City	Easement of lateral and subjacent support and damages	The Plaintiff alleged that the construction of BL CBP Ventures, Inc.'s building adjacent to that of the Plaintiff's caused cracks in the basement of the latter. CLI maintains as its defense that there is a lack of cause of action against CLI and it is being impleaded as a defendant merely by being a joint venture partner. Currently, the case is in the trial stage, specifically for the presentation of evidence by the defendant, Abraham Lee Construction and Development Inc. Despite this, the Parties are still open to signing a compromise agreement.
Sanford Marketing Corporation v. Cebu Landmasters, Inc. and Carwill Construction Incorporation	RTC Br. 39, Cagayan de Oro City	TRO, preliminary injunction, and damages	This case was filed by the Plaintiff who owns a building adjacent to CLI's residential development in Cagayan de Oro City. The Plaintiff alleged that falling debris and a fire in the Plaintiff's warehouse were caused by construction activities. CLI, on the other

			hand, raised procedural issues on the complaint such as the improper joinder of parties and lack of jurisdiction, and alleged that the Plaintiff has not sufficiently substantiated their allegations. The Judge deferred the progress of the case and has only set status hearings with the general contractor, Carwill, undertaking to improve safety in the site since the filing of the case. Currently, the parties are awaiting a decision on the Plaintiff's affirmative defense of lack of jurisdiction.
Sps. Villacarlos v. Cebu Landmasters, Inc.	HSAC 1 st Division (HSAC-RAB VII)	Specific Performance	This case was filed by a buyer in a residential development of the Company in Cebu City on March 3, 2022 with the Human Settlements Adjudication Commission of the Philippines ("HSAC"). The Complainant alleged that he established interest and rights over a particular parking unit in the development. CLI maintains as its defense that the complainant's occupancy of the subject parking unit was merely temporary and tolerated; moreover, the slot had already been sold to another buyer. HSAC ruled against the Complainant, but he has opted to appeal.

			Currently, the case is pending before the Court of Appeals.
Cebu Landmasters, Inc. v. Devlarn Ventures and Development Corporation and the Office of the Register of Deeds of Lapu-Lapu City	RTC Br. 7, Cebu City	Permanent injunction with TRO and preliminary injunction	On March 11, 2024, CLI received a letter from Devlarn Ventures and Development Corporation ("DVDC") notifying it that it intends to enforce a statutory lien on the titles of the land where the exclusive beachfront community project is constructed. This is a civil case filed by CLI against DVDC praying that DVDC be enjoined from doing any and all acts tending to unduly interfere with the business operations of CLI, particularly with the ongoing construction activities of its Costa Mira Beachtown Mactan project, and any adverse or prejudicial actions that will cause irreparable damage to CLI's goodwill and business reputation. The Register of Deeds of Lapu-Lapu City is also impleaded as co-defendant to prevent it from annotating any adverse claim on CLI's titles covering the Costa Mira Beachtown Mactan project. Currently, CLI is coordinating with the Court Sheriff for the service of summons to DVDC.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Price of the Issuer's Common Shares

The Company's common shares were listed on the PSE on June 2, 2017. The Company's common shares are principally traded at the PSE under the symbol "CLI".

The high and low prices of the common shares for each quarter since its common shares have been listed are indicated in the tables below.

In ₱	High	Low	Close
2017			
Second Quarter (month of June only)	5.98	5.13	5.34
Third Quarter	5.51	4.58	5.07
Fourth Quarter	5.17	4.59	4.88
2018			
First Quarter	5.12	4.21	4.70
Second Quarter	5.06	4.48	4.58
Third Quarter	4.73	4.27	4.42
Fourth Quarter	4.59	3.60	4.14
2019			
First Quarter	4.29	4.19	4.20
Second Quarter	4.89	4.80	4.83
Third Quarter	4.75	4.70	4.74
Fourth Quarter	4.83	4.67	4.83
2020			
First Quarter	3.80	3.70	3.72
Second Quarter	5.10	4.35	4.69
Third Quarter	4.92	4.83	4.90
Fourth Quarter	5.05	4.99	5.05
2021 *price after stock dividends			
First Quarter	2.65	2.60	2.64
Second Quarter	3.85	3.72	3.77
Third Quarter	3.00	2.89	2.95
Fourth Quarter	3.00	2.73	3.00
2022			
First Quarter	3.02	2.71	2.97
Second Quarter	3.06	2.48	2.50
Third Quarter	2.60	2.19	2.34
Fourth Quarter	2.80	2.20	2.80
2023			

First Quarter	2.62	2.61	2.62
Second Quarter	2.60	2.56	2.59
Third Quarter	2.66	2.64	2.65
Fourth Quarter	2.53	2.47	2.47
2024			
First Quarter	2.80	2.78	2.80
Second Quarter	2.60	2.60	2.60
Third Quarter	2.71	2.66	2.66
Fourth Quarter	2.68	2.64	2.65

The closing price of the Company's common shares listed on the PSE is ₱2.65 per share as of December 31, 2024. The market capitalization of the Company is ₱9.18 billion computed using the outstanding common shares of the Company and the closing price of the Company's common shares on the PSE as of December 31, 2024.

Stockholders

The following are the list of registered holders of the common equity securities of the Company as of December 31, 2024:

	Stockholder Name	No. of Common Shares	Percentage (of common shares)
1	AB Soberano Holdings Corp.	2,288,870,095	63.17%
2	PCD Nominee Corp. (Filipino)	1,227,648,539	33.88%
3	PCD Nominee Corp. (Non-Filipino)	57,968,796	1.60%
4	Jose R. Soberano III	31,220,000	0.86%
5	Jose Franco B. Soberano	7,247,500	0.20%
6	Janella Mae B. Soberano-Wu	5,017,500	0.14%
7	Joanna Marie B. Soberano Bergundthal	5,017,500	0.14%
8	Ma. Nona A. Velez	300,000	0.01%
9	Myrna P. Villanueva	39,300	0.00%
10	Myra P. Villanueva	33,450	0.00%
11	Marietta V. Cabreza	22,300	0.00%
12	Lolita Siao-Ignacio	22,300	0.00%
13	Maria Lourdes M. Onozawa	22,300	0.00%
14	Milagros P. Villanueva	22,300	0.00%
15	Owen Nathaniel S Au Itf: Li Marcus Au	111	0.00%
16	Jesus N. Alcordo	2	0.00%
17	Ma. Aurora D. Geotina-Garcia	2	0.00%
18	Rufino Luis T. Manotok	2	0.00%
	TOTAL	3,623,451,997	100.00%
	Treasury shares	158,250,530	-4.37%
	TOTAL	3,465,201,467	95.63%

The following are common shares held by the Company's Board of Directors lodged with PCD Nominee Corporation as of December 31, 2024:

	Stockholder Name	No. of Common Shares	Percentage (of common shares)
1.	Jose R. Soberano III	137,758,250	3.80%
2.	Ma. Rosario B. Soberano	132,127,500	3.65%

3.	Jose Franco B. Soberano	13,082,741	0.36%
4.	Janella Mae B. Soberano-Wu	11,765,641	0.32%
5.	Joanna Marie B. Soberano Bergundthal	11,889,691	0.33%
6.	Beauregard Grant L. Cheng	2,453,000	0.07%
7.	Stephen A. Tan	11,150	0.00%
8.	M. Jasmine S. Oporto	8,920	0.00%
9.	Rufino Luis T. Manotok	2	0.00%
10.	Ma. Aurora Geotina-Garcia	2	0.00%
	TOTAL	309,096,897	8.53%

CLI's issued and outstanding capital stock is as follows: (A) 3,465,201,467 outstanding common shares with par value of ₱1.00 per share or an aggregate par value of ₱3,465,201,467.00; (B) 158,250,530 common shares in treasury with par value of ₱1.00 per share or an aggregate par value of ₱158,250,530.00; and (C) 2,063,360 Series "A-1" and 2,216,980 Series "A-2" Preferred Shares with par value of ₱1.00 and aggregate par value of ₱4,280,340.

The issuance of the Series A Preferred Shares to Philippine nationals will reduce the percentage of shareholdings of foreigners in the outstanding capital stock of the Company, *i.e.*, voting and non-voting shares.

Dividends

The Company and its Subsidiaries have a transparent and specific dividend policy as disclosed in the Company's Sustainability Report, an integral attachment to its Annual Report and its Integrated Annual Corporate Governance Report. The dividend policy, which was approved by the Board prior to its initial public offering and as set out in the Company's annual reports, states that dividends are declared and paid by CLI based on the assessment and approval of its Board, subject to the availability of retained earnings and taking into account cash flow considerations and other financial conditions of the Company after considering future capital expenditures, and project requirements, among others. There is no other dividend policy (*e.g.*, such as a statement on the dividend payout ratio) save as already stated in the foregoing. In relation thereto, the Company has consistently declared and paid dividends to its investors and shareholders, in keeping with its dividend policy and following the SEC rule on calculation of available retained earnings for dividend declaration and after appropriations for investment and other requirements.

The Company declares cash or stock dividends to its common shareholders on a regular basis, in amounts determined by the Board, pursuant to its dividend policy. The Company may also declare special cash dividends where appropriate.

Cash and stock dividends declared and paid by the Company in FY2014 up to FY2024 are as follows:

i. Cash dividends

Year of Declaration	Rate of Dividend Declared per Share (in ₱)	Record Date	Amount Paid (in ₱)
2014	12.50	November 3, 2014	48,000,000
2015	7.19	February 28, 2015	42,000,000
2015	10.27	June 15, 2015	60,000,000
2015	8.56	October 15, 2015	50,000,000
2015	5.66	December 15, 2015	50,000,000
2016	2.26	March 31, 2016	20,000,000
2016	5.99	August 31, 2016	52,943,457
2016	4.32	September 15, 2016	38,150,000

2016	1.70	September 30, 2016	15,000,000
2016	0.74	November 21, 2016	650,000,000
2016	0.05	December 1, 2016	40,000,000
2016	0.03	December 1, 2016	40,000,000
2017	0.15	March 23, 2018	235,186,980
2019	0.20	March 26, 2019	332,590,000
2020	0.25	April 3, 2020	414,795,000
2021	0.25	April 16, 2021	388,749,900
2022	0.112 (Regular) 0.038 (Special)	April 22, 2022	519,780,221
2023	0.15 (Regular) 0.03 (Special)	April 18, 2023	623,736,264
2024	0.15 (Regular) 0.03 (Special)	April 17, 2024	623,736,264 (Estimate)

ii. Stock dividends

Year of Declaration	Rate of Dividend Declared per Share	Record Date	Number of shares
2014	0.52	November 30, 2014	2,000,000
2015	0.34	December 15, 2015	3,000,000
2021	1.23	June 18, 2021	1,909,451,997

The notes facility agreements of CLI have a provision restricting the declaration and payment of dividends to its stockholders unless all payments due under the promissory notes issued thereunder are current and updated or unless the dividends are payable solely in shares of its capital stock. CLI has not defaulted on its loan obligations under such agreements, and hence, the foregoing restriction has not applied and therefore it is free to declare dividends to its stockholders.

The following table also shows the dividend declarations of the Company's major Subsidiaries:

Subsidiary	Total Dividends Declared						
	CLI Share	2024	2023	2022	2021	2020	2019
CLPM	100%		-	₱27,500,000	₱12,500,000	₱7,300,000	₱6,000,000
YES	50%		₱140,200,000	-	-	₱20,000,000	₱40,000,000
MGR	45%	₱65,000,000	₱61,600,000	₱130,000,000	₱160,000,000	₱50,000,000	-
BL CBP Ventures, Inc	50%		₱16,800,000	₱8,400,000			
YHEST	50%	₱100,000,000					
El Camino	35%	₱300,000,000					

The Company's Subsidiaries follow the parent's policy on dividends which states that dividends are declared and paid based on the assessment and approval of the Board, subject to the availability of retained earnings and taking into account cash flow considerations and other financial conditions of the Company after considering future capital expenditures, and project requirements, among others.

History of share Issuances for the past five years

The Board of Directors of CLI at its meeting held on November 24, 2020 approved the increase in the authorized capital stock of CLI from ₱2,500,000,000.00 divided into 2,400,000,000 common shares with a par value of ₱1.00 per share, and 1,000,000,000 voting preferred shares with a par value of ₱0.10 per share, to ₱10,100,000,000.00, divided into 10,000,000,000 common shares with a par value of ₱1.00 per share, and 1,000,000,000 voting preferred shares with a par value of ₱0.10 per share.

Moreover, the Board of Directors of CLI at its meeting held on November 24, 2020 approved the declaration of stock dividend of 122% on the outstanding capital stock of CLI or a total of 1,900,000,000 shares of common stock, to be issued out of the unrestricted retained earnings of CLI as of September 30, 2020, which stock dividends would be sourced from the increase in authorized capital stock of CLI, and payable to stockholders of record as of the record date and payment date to be fixed and approved by the Board of Directors of CLI and the regulators.

During the special stockholders' meeting held on February 26, 2021, the stockholders of CLI approved the distribution of new common shares as stock dividends. On the basis of such approval, stockholders on record would receive 123 shares for every 100 block of shares, and the stock dividends would be in lieu of cash payment from existing stockholders to subscribe to the minimum requirement of 25% increase in authorized capital stock.

The SEC approved the increase in capital stock of CLI from ₱2,500,000,000.00 to ₱10,100,000,000.00 on May 21, 2021. Moreover, through an order dated May 26, 2021, the SEC authorized the record date of June 18, 2021 in connection with the stock dividends, among other matters.

On July 6, 2021, the PSE approved the application of CLI to list an additional 1,909,451,997 common shares to cover the stock dividend declaration to its stockholders of record as of June 18, 2021. The payment date was on July 14, 2021.

On January 04, 2024, the SEC issued and released the Certificates of Filing of Amended Articles of Incorporation, both dated 29 December 2023, which approved CLI's applications for amendment of its Articles of Incorporation to create a new class of CLI preferred shares through the reclassification of one billion unissued common shares with a par value of ₱1.00 per share to one billion Series "A" preferred shares with a par value of ₱1.00 per share. The SEC applications are in line with the approval of the Board of Directors during the special board

meeting held on 25 April 2023, and approval of the Stockholders during the Annual Stockholders' meeting held on 01 June 2023 on the amendment of Article VII of CLI's AOI, including the creation of the new class of preferred shares. As a result of the reclassification and amendment of AOI, CLI's authorized capital stock comprises ₱9.00 billion common shares, ₱1.00 billion Series "A" Preferred Shares, and ₱100.00 million Series "B" Preferred Shares.

Article VII of CLI's latest Amended AOI grants to its Board of Directors the express authority to determine, fix, and approve all other features, salient and commercial terms, issuance and redemption features, and all other terms and conditions of the Series "A" Preferred Shares, including any tranche or sub-series thereof.

In relation thereto, and during its special board meeting held on January 8, 2024, the CLI Board of Directors approved and authorized the Company's public offering of 3,000,000 Series "A" Preferred Shares with an oversubscription option of up to 2,000,000 Series "A" Preferred Shares at an offer price of ₱1,000.00 per share. The CLI Board of Directors also approved the terms and conditions of the Offer Shares during the same board meeting.

In April 12, 2024, CLI successfully listed and traded on the Main Board of the Philippine Stock Exchange the total number of 4,280,340 Series A-1 and Series A-2 Preferred Shares (collectively, the Series "A" Preferred Shares). The total gross proceeds of the Series "A" Preferred Shares, with an offer price of ₱1,000.00 per share, amounted to ₱4,280,340,000.00. The net proceeds from the Series "A" Preferred Shares will be used to support CLI's strategic expansion initiatives and ongoing project developments, with a portion also allocated for general corporate purposes. The Series "A" Preferred Shares have dividend rates of 7.585% per annum for the 4-year Series A-1 and 8.25% per annum for the 7-year Series A-2.

CLI and its Subsidiaries are not involved in any bankruptcy, receivership, or similar proceedings, and have no material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) OR PLAN OF OPERATION

The following discussion of the Company's recent financial results should be read in conjunction with the auditors' reports and the Company's consolidated financial statements and notes thereto contained in this Annual Report and the section entitled "Summary of Financial Information". This discussion contains forward-looking statements and reflects the current views of the Company 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 and Other Considerations" and elsewhere in this Annual Report.

COMPANY MILESTONES FOR THE PERIOD ENDED DECEMBER 31, 2024

CLI capped 2024 with record consolidated revenues of ₱19.5 billion, up 4% from the previous year. Property sales rose 5% to ₱17.3 billion, while recurring income surged by 50% to ₱467 million, fueled by a 74% revenue jump in its hospitality segment. Net income attributable to parent shareholders grew 8% to over ₱3.0 billion, supporting a ₱0.18 per share cash dividend, and continuing CLI's 15% CAGR in dividend payouts since its IPO.

CLI's residential offerings remained in high demand, achieving a 92% sell-out rate, with Casa Mira and the Garden Series contributing 87% of total sales. The company also grew its rental income by 45% to ₱162 million, driven by strong leasing uptake from global brands, and launched Citadines Bacolod City—its fourth hotel—with six more in the pipeline as it builds a 10-hotel portfolio to support its future REIT strategy.

Investor confidence remained strong, with ₱13.7 billion in housing loan takeouts and oversubscription of both preferred shares and sustainability-linked bonds. CLI was recognized for its ESG performance by the ATRAM SDG Fund, and is one of the 20 listed companies to be included in the fund for its notable sustainability initiatives.

In 2024, CLI received 5-Star BERDE Certification for its socialized housing project, Tipolo Residences built for 90 informal settler families in Mandaue City. The building was formally turned over to the LGU of Mandaue City in December 2024.

The year 2024 has been another banner year for CLI, marked by a string of prestigious accolades that reflect its industry leadership, commitment to sustainability, and dedication to corporate governance. CLI was honored with the Sustainability Rising Star Award at the Asia Corporate Excellence & Sustainability Awards (ACES), a recognition of its forward-thinking approach to sustainable development. The company's adherence to best practices in corporate governance was also lauded for the second consecutive year with a 2-Golden Arrow Award by the Institute of Corporate Directors, underscoring its transparency and accountability as a publicly listed company.

CLI's winning streak as the Top 10 Developers in the Philippines by BCI Asia for the seventh straight year reinforces its reliability and innovation in real estate development. Additionally, the company earned its fourth consecutive Best Developer in Mindanao title at the PropertyGuru Philippines Property Awards (PPA), a testament to its unwavering commitment to delivering masterful excellence in the south.

The 2024 Asia-Pacific Stevie Awards again recognized CLI and this time, as one of the Silver Stevie Winners for Innovative Achievement in Corporate Social Responsibility. This distinction represents the Company's unwavering dedication to sustainability and exceptional efforts in improving the environment and society at large.

In a study by Colliers, CLI retained its top position in the VisMin real estate market, accounting for a 19.3% share of the region's residential segment, an increase in market share from 16% the previous year.

Celebrating Masterful Project Excellence

CLI's developments have set new standards for design and functionality, earning widespread acclaim in the industry. lyf Cebu City, an innovative co-living concept, was named Best Co-Living Space, while Velmiro Greens Bohol was recognized as the Best Housing Development in the Visayas by the PPA. Other standout projects include Casa Mira Towers Guadalupe, which took home the award for Best Affordable Condo Architectural Design, and Mirani Steps Danao, lauded as the Best Affordable Condo Development in Metro Cebu.

Several other projects received high commendations, including Velmiro Heights Consolacion and Casa Mira Homes Davao, highlighting the breadth of CLI's expertise across different market segments and locations. Projects such as The East Village at DGT in Davao and Casa Mira Homes Butuan (also a Silver awardee of The Outlook by Lamudi as Affordable Condominium of the Year) in Mindanao further demonstrate CLI's ability to adapt to regional demands while maintaining a high standard of quality.

A Customer-Centric & Community-Focused Organization

CLI's accolades extend beyond its projects, reflecting its overarching vision as a community-focused and customer-centric developer. The World Business Outlook Awards recognized CLI as the Leading Real Estate Company in the Philippines, the Most Customer-Centric and Community-Focused Organization, and the Leading Innovator in Real Estate Philippines. These awards affirm the company's dedication to addressing the needs of its stakeholders, from homebuyers to investors, while contributing to the overall growth of the communities it serves.

CLI's unwavering commitment to innovation and excellence underscores its continual strides towards becoming the premier developer in VisMin. Through dedicated efforts in refining strategies, embracing technological advancements, and fostering a culture of excellence, CLI remains resolutely positioned at the forefront of the region's development landscape. This dedication to surpassing benchmarks and setting new industry standards is ingrained in its ethos, driving its pursuit of becoming the unequivocal leader in the VisMin region's real estate development industry.

REVIEW ON THE COMPANY'S RESULTS OF OPERATION

January 1 to December 31, 2024 vs January 1 to December 31, 2023

In Million Pesos (₱)	Horizontal Analysis Vertical Analysis					
	Dec 2024	Dec 2023	Increase (Decrease)			
	Audited	Audited Restated	Amount	%	2024	2023
Revenue	19,525	18,818	707	3.8%	100.0%	100.0%
Cost of Sales	(9,356)	(8,403)	(953)	11.3%	-47.9%	-44.7%
Gross Profit	10,169	10,416	(246)	-2.4%	52.1%	55.3%
Operating Expenses	(3,201)	(2,785)	(416)	14.9%	-16.4%	-14.8%
Other Operation Income	452	411	41	10.1%	2.3%	2.2%
Finance Costs	(2,188)	(2,357)	169	-7.2%	-11.2%	-12.5%
Other Gains/Losses ¹	(5)	(2)	(3)	148.4%	0.0%	0.0%
Profit Before Tax	5,228	5,683	(455)	-8.0%	26.8%	30.2%
Tax Benefit/ Expense	(1,230)	(1,847)	617	-33.4%	-6.3%	-9.8%
Net Profit	3,998	3,836	162	4.2%	20.5%	20.4%
Non-Controlling Interest	988	1,041	(53)	-5.1%	5.1%	5.5%
Parent Net Profit	3,010	2,795	215	7.7%	15.4%	14.9%

¹Other Gains/Losses comprises Finance Income, Share in Net Loss of Associates, Impairment Loss on Financial Assets, and Other Losses.

CLI demonstrated a steady topline in 2024, with Revenues increasing by 4% to ₱19.53 billion from ₱18.82 billion in the same period last year. This growth was driven by lot sales and expansion across all business segments, highlighting robust market demand. Consequently, the company sustained its earnings momentum with Net Profit to Parent, rising from ₱2.80 billion to ₱3.01 billion -reflecting an 8% year-on-year growth based on restated figures to align with the updated PFRS.

REVENUES

Real estate sales Real estate sales recorded a significant 3% year-over-year increase in revenue to ₱19.06 billion from ₱18.51 billion. A key contributor to this growth is the lot sale—including the notable transaction with Insular Life in Davao Global Township and higher construction progress with more units that qualified for revenue recognition.

In terms of location, Cebu still is the strongest contributor of revenue which accounted for 46% of its overall figure. Mindanao and Visayas (excluding Cebu) contributed 30% and 21%, respectively. The increase in share in revenue outside Cebu were driven by new projects such as Casa Mira Homes Davao, Mindara Residences, East Village Residences, Casa Mira Towers Bacolod, Casa Mira Towers Palawan and Costa Mira Beach Panglao.

Revenue per market segment reported the following performance:

Premier Masters (Premier market) reported revenue of ₱2.93 billion, reflecting a decrease of 26% year-on-year from ₱4.69 billion. This decrease can be attributed to significant revenue qualifications in the previous year related to Costa Mira Beachtown Mactan, One Paragon Place, and One Astra, which are scheduled for turnover in 2025.

Garden Series (Mid-market), posted a revenue of ₱6.71 billion from ₱5.60 billion. The 20% growth was driven by The East Village, CLI's first residential project within the Davao Global Township (DGT), along with the addition of new towers, Mandra Residences and Mindara Residences in Davao also with almost 546 of its units being sold out, amassing ₱2.50 billion in sales within the first week of its launch in 2023.

Casa Mira Series (Economic market) generated revenue from ₱8.13 billion to ₱5.90 billion, reflecting a 27% decrease. This decrease is primarily due to the substantial revenue recognized in the previous year from Casa Mira South 3A.2 and Casa Mira Towers Bacolod T1-T2.

The Company expects to grow real estate revenue contribution from projects newly launched during the period.

Leasing

The Company experienced a significant growth in rental revenues, reaching ₱162.41 million, representing a 45% year-on-year increase from ₱112.34 million. This growth can be attributed primarily to new retail tenants and increased occupancy revenue from already completed projects. Notably, by the end of the of 2024, CLI has substantially expanded its Gross Leasable Area to 40,575 sq.m., marking a notable 13% rise from the previous quarter's 35,772 sq.m.. This expansion is a direct result of the successful completion and turnover of Banilad Highstreet and Drive-Thru spaces in Davao Global Township, currently boasting full lease rates of 100%. Additionally, the completion of DGT Pavilion and DGT Retail Pads has contributed an additional GLA of over 4,000 sq.m. These developments stand as pivotal contributors to CLI's upward trajectory and burgeoning success in the market.

Hotel operations

The continued recovery of the hospitality sector in the Visayas and Mindanao (VisMin) regions provided opportunities for Cebu Landmasters, Inc. (CLI) to expand its presence in this segment.

In 2024, CLI commenced operations of three additional hospitality assets: lyf Cebu City at Base Line Center, The Pad Co-Living in Banilad High Street, and Citadines Bacolod City.

Citadines Bacolod City, with 200 rooms, is CLI's first hotel development outside Cebu and is currently the largest internationally branded hotel in Bacolod. lyf Cebu City and The Pad Co-Living cater to specific market segments such as short- to medium-stay business travelers and long-term tenants. Including the existing Citadines Cebu City, CLI operated four hotels as of year-end 2024, with a total 640 room keys operational. A portion of the room inventory, particularly in newly opened hotels such as Citadines Bacolod City and The Pad, is still undergoing final fit-out and operational ramp-up.

Hotel operations generated revenues of ₱240.47 million for the full year 2024, a 74% increase from ₱138.55 million in the previous year. The increase is primarily attributable to the additional operational capacity brought about by the newly opened hotels.

CLI expects further growth in its hospitality business through the completion of Citadines Paragon Davao (263 rooms) and Radisson Red Cebu (144 rooms) by end-2025. In addition, six hotel projects remain under construction as of the reporting date. These developments are aligned with CLI's strategy to expand its recurring income portfolio.

Management Fee

This included the project management fee that CLI charges for being the project manager on joint venture projects and the property management fee for CLIPMI services provided to CLI's completed projects. During the year, the parent company's project management revenue reached ₱63.93 million, these are fees charged to CLI's joint venture companies for managing the development of the project.

COST AND EXPENSES

COST OF SALES AND SERVICES

In line with the growth in revenue performance, the Company's Cost of Sales and Services for the year ended December 31, 2024, was reported at ₱9.36 billion, 11% year-over-year increase from ₱8.40 billion of the same period last year as restated with the adoption of PFRS 15.

OPERATING EXPENSES

Total Operating Expenses during the period amounted to ₱3.30 billion, a 15% y-o-y increase from ₱2.78 billion of the same period in 2023. The significant increase in Operating Expenses was primarily driven by higher salaries and employee benefits due to headcount growth and enhanced compensation to support expanding operations, as well as increased taxes and licenses resulting from elevated real property taxes, permit fees, and regulatory costs tied to the company's active real estate development projects.

The Company carefully balanced its debt mix of 62% fixed and 38% floating rates. Due to this, CLI is able to maintain its competitive rate of 6.79% despite an increase in benchmark rates. The stated rate, while being higher than the previous year, is nonetheless competitive when compared to current capital raising rates charged in the sector.

On October 7, 2022, CLI listed its first tranche of ₱15.00 billion bonds worth ₱5.00 Billion with the following tenors:

- Series A with a tenor of three and a half (3.5) years with a fixed rate of 6.4222%
- Series B with a tenor of five and a half (5.5) years with a fixed rate of 6.9884%
- Series C with a tenor of seven (7) years with a fixed rate of 7.3649%

The proceeds from the Bonds raised will extend the debt maturity of the Company and lock in rates to address any interest rate risk brought about by the challenging macro environment.

Recently, CLI successfully listed its follow-on offering of ₱4.28 billion from Series A preferred shares. Proceeds from this offering will primarily be used to support the company's expansion plans.

NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST (NCI)

For the year ended December 31, 2024, Net Profit attributable to NCI saw a decrease from ₱1.04 billion in 2023 to ₱988 million. This decrease is due to the majority of revenue-generating projects being CLI projects.

ADOPTION OF PFRS 15

The period as of December 31, 2024 as well as the adjusted December 31, 2023 financial performances adopts the new PFRS 15 "Revenue from Contracts with Customers" on Sale of residential Properties under Pre-Completion Contracts. The new standard requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component.

There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Otherwise, there would have been a significant financing component when there is a difference between the percentage of completion ("POC") of the real estate project and the right to the consideration based on the payment schedule stated in the contract.

Furthermore, the new standard provides guidance with the accounting treatment for borrowing costs. The International Financial Reporting Interpretations Committee concluded that any inventory (work-in-progress) for unsold units under construction that the entity recognizes is not a qualifying asset, as the asset is ready for its intended sale in its current condition (i.e., the developer intends to sell the partially constructed units as soon as it finds suitable customers and, in signing a contract with a customer, will transfer control of any work-in-progress relating to that unit to the customer). Accordingly, no borrowing costs can be capitalized on such unsold real estate inventories.

To ensure a fair comparison, it is crucial to use adjusted figures when analyzing financial performance before and after the adoption of new PFRS. This approach allows for a like-for-like comparison, adjusting for the substantial changes brought about by the new standard and ensuring accurate and meaningful analysis of financial results.

REVIEW OF THE COMPANY'S FINANCIAL CONDITION

As of December 31, 2024, vs December 31, 2023

In Million Pesos (₱)	Dec 2024 Dec 2023 Horizontal Analysis Vertical Analysis					
	Audited	Audited Restated	Increase (Decrease)		2024 2023	
			Amount	%		
Cash and cash equivalents	1,583	914	669	73.3%	1.5%	0.9%
Receivables - net ¹	4,610	2,249	2,361	104.9%	4.2%	2.2%
Contract assets ²	49,427	45,094	4,333	9.6%	45.3%	44.9%
Real estate inventory	13,080	17,055	(3,975)	-23.3%	12.0%	17.0%
Deposits on land for future development	0	15	(15)	-100.0%	0.0%	0.0%
Due from related parties	53	49	5	9.9%	0.0%	0.0%
Prepayments and other current assets	7,361	6,434	927	14.4%	6.8%	6.4%
Non-current asset classified as held for sale	238	0	238	100.0%	0.2%	0.0%
Investments in joint ventures and associates	785	142	642	450.8%	0.7%	0.1%
Property and equipment - net	9,165	7,242	1,923	26.6%	8.4%	7.2%
Right of use asset	1,095	1,130	(35)	-3.1%	1.0%	1.1%
Investment properties - net	19,445	18,334	1,111	6.1%	17.8%	18.3%
Other non-current assets - net	2,160	1,790	370	20.7%	2.0%	1.8%
Total Assets	109,003	100,448	8,554	8.5%	100.0%	100.0%
Interest-bearing loans ³	44,614	42,189	2,425	5.7%	40.9%	42.0%
Trade and other payables ⁴	21,631	22,966	(1,335)	-5.8%	19.8%	22.9%
Contract liabilities	296	449	(153)	-34.1%	0.3%	0.4%
Customers' deposits	90	144	(54)	-37.3%	0.1%	0.1%
Lease liabilities ⁵	1,291	1,263	28	2.3%	1.2%	1.3%
Income tax payable	16	2	14	623.1%	0.0%	0.0%
Bonds payable	4,965	4,948	17	0.3%	4.6%	4.9%
Post-employment defined benefit obligation	40	10	30	287.7%	0.0%	0.0%
Deferred tax liabilities - net	5,753	5,023	730	14.5%	5.3%	5.0%
Total Liabilities	78,696	76,995	1,701	2.2%	72.2%	76.7%
Non-controlling interest	9,961	9,221	740	8.0%	9.1%	9.2%
Total Equity	30,306	23,453	740	3.2%	27.8%	23.3%

¹ Receivables – net consists of the current and non-current portion.

² Contract assets – net is composed of the current and non-current portion.

³ Interest-bearing loans and borrowings comprise the current and non-current portion.

⁴ Trade and other payables is comprised of the current and non-current portion.

⁵ Lease liabilities is comprised of the current and non-current portion.

CLI's balance sheet remains steady and healthy to support construction and expansion plans. As of December 31, 2024, CLI reported Total Assets of ₱109 billion, an increase of 9% from ₱100.45 billion as of December 31, 2023 restated figures driven by progress in construction from sold units.

ASSETS

73% increase in Cash and cash equivalents

Mainly from the proceeds obtained from loan availments and higher takeouts.

105% increase in Receivables (including non-current portion)

Increased from ₱2.25 billion to ₱4.61 billion is attributable to several real estate projects that reached 100% completion as at the end of the interim period. Under the Company's policy, contract receivables are recognized or reclassified from contract assets, when the performance obligation is satisfied, and the entity has an unconditional right to payment, meaning the percentage of completion of the project is at 100%.

10% increase in Contract assets (including non-current portion)

from ₱45.09 billion to ₱49.43 billion primarily due to installment contracts on existing and newly launched projects during the year that continue to recognize real estate sales revenue as construction progresses.

23% decrease in Real Estate Inventories

from ₱17.06 billion to ₱13.08 billion mainly due to more inventory being sold and also a decrease in land development cost & raw land book value stemming from the application of PFRS 15 where capitalized interest is reversed on these items.

100% increase in Noncurrent Asset held for sale

The 100% increase is attributed to CLI's intention to sell its 30% stake in CLI NUD, valued at ₱237,832,343 and is presented as a Non-current Asset Held for Sale in the 2024 condensed interim financial statements. The sale is expected to be in the second half of 2025. CLI NUD's assets are under the reportable segment of real estate.

451% increase in Investment in Joint Ventures and Associates

from ₱142.49 million to ₱784.89 million significantly due to additional investments, primarily driven by additional investments in CLI NUD, with the intent to sell its 30% stake in the second half of 2025.

10% increase in Due from related parties

Due to transactions paid by CLI (Parent) on behalf of its related parties from ₱48.60 million to ₱53.43 million.

14% increase in Prepayments and other current assets from ₱6.43 billion to ₱7.36 billion significantly due to increased advances to subcontractors.

27% increase in Property and equipment from ₱7.24 billion to ₱9.17 billion significantly due to the completion of new operational hotels such as Baseline Lyf.

3% decrease in Right of use asset from ₱1.13 billion to ₱1.09 billion due to amortization of high-value leasehold rights.

6% decrease in Investment properties from ₱18.33 billion to ₱19.45 billion due to reclassifications from investment properties to inventory due to a change in their intended use from leasable to saleable units.

30% decrease in Non-current assets

from ₱1.79 billion to ₱1.25 billion due to commissions paid in advance for future periods are now moving into the current period (increased current prepaid commissions).

LIABILITIES

5% increase in Interest-bearing loans and borrowings (including non-current portion)

from ₱47.14 billion to ₱49.58 billion reflects stability, coupled with the strategic decision to raise funds through preferred shares to support ongoing and future project developments.

6% decrease in Trade payables (including non-current portion)

from ₱22.97 billion to ₱21.63 billion due to accruals made on unbilled costs to match with revenue recognized.

35% decrease in Contract liabilities from ₱593.34 million to ₱386.49 million mostly due to an increase in collections from buyers, but also due to the application of PFRS 15 where implied interest of collections is separated.

623% increase in Income tax payable from ₱2.21 million to ₱15.99 million due to the accrual of income tax due for the period.

15% increased Deferred tax liabilities - net

from ₱5.02 billion to ₱5.75 billion due to additional accrual of Net Profit in 2024 recognized tax liability on taxable temporary differences.

EQUITY

19% increase in Parent Company's Retained Earnings from ₱9.75 billion in December 2023 with the impact of restatement with the adoption of PFRS 15 to ₱11.62 due to the Net Profit recognized during the period.

COMPANY MILESTONES FOR THE PERIOD ENDED DECEMBER 31, 2023

In 2023, CLI launched a total of ten projects valued at ₱18.7 billion in 2023. Part of the launch is the introduction of the Mirani brand addressing the needs of the lower-income segment, offering residences priced at around ₱1.90 million to ₱2.90 million. Another notable project launch is Mindara Residences in Davao with almost 546 of its units being sold out, amassing ₱2.50 billion in sales within the first week of its launch. CLI also introduced its first house and lot project in Davao, Casa Mira Homes Davao, which is now 95% sold out. Velmiro Heights – Consolacion Ph1, another CLI's mid-market product located in Northern Cebu was launched last December 2023. Velmiro Heights Consolacion Ph1, will have 378 units composed of a series of single detached models with lot areas ranging from 100 to 197 sq.m. The project sold 93% within days of being introduced to the market, indicating strong demand for such a project. Other project launches include Casa Mira Towers Mandaue T1, Mandra T2, CMT Palawan T4, CMT Bacolod T4 and Costa Mira Panglao T3. This substantial fresh inventory, coupled with the continued high demand for the established Casa Mira brand, propelled CLI to achieve a record-breaking sales of ₱20.6 billion, up by 14% versus the same period in 2022.

Davao projects accounted for the majority of the sales with 40% of the total sales, Cebu with 30%, Bohol with 12%, Bacolod with 9% and Palawan with 7% while Dumaguete, Iloilo, Ormoc, and CDO contributed the remainder of the total sales.

In terms of market segment, Casa Mira - Economic brand led the market with 45% of total sales, primarily from Casa Mira Davao, Casa Mira Danao, and Casa Mira Towers in Palawan and Bacolod. To date, CLI has already sold out 93% of its inventory across all projects in various phases of development.

The Company has invested ₱12.89 billion in capital projects as of December 2023, 81.7% of which went towards project development, and 6% spent for land acquisition, CLI is expanding in Mindanao by most recently purchasing 21 has. in General Santos City, increasing its landbank to 107 has. with a total value of ₱9.70 billion. With this acquisition, CLI is serving the region's robust and consistent housing demand, being present in 16 key VisMin cities.

In October 2023, CLI entered into a partnership with NTTUDA, an international developer known for commercial properties, including office buildings, residences, and mixed-use developments in Southeast Asia. This JV is geared towards the development of premium-grade residential towers in the heart of Cebu City.

The Company expands its hospitality portfolio with the launch of The Pad and lyf Cebu in the final quarter of 2023. The opening of lyf Cebu with 159 rooms brings CLI's operational hotel count to three, following the launch of The Pad Co-Living with 258 rooms and Citadines Cebu City in 2019 with 180 rooms. Like the latter, lyf Cebu City is also operated by international hospitality group The Ascott Limited. This strengthens CLI's hospitality portfolio while signaling the company's confidence in VisMin's growing tourism sector.

In 2023, CLI also received various recognitions starting with the 5-Star BERDE Certification which was officially turned over by the Philippine Green Building Council, led by their CEO, Mr. Chris de la Cruz. Latitude Corporate Center is the FIRST 5-Star BERDE Certified Office Building in Cebu City, with its iconic design masterfully crafted for great businesses.

Furthermore, BCI Asia Philippines once again recognized the Company as one of the Top 10 Developers in the Philippines for 2023, making this the sixth year in a row that it has won. This

acknowledgment reinforces the Company's dedication to delivering creative and sustainable developments.

The 2023 Asia-Pacific Stevie Awards have also recognized CLI as one of the Bronze Stevie Winners for Innovative Achievement in Corporate Social Responsibility. This distinction represents the Company's unwavering dedication to sustainability and exceptional efforts in improving the environment and society at large.

Lastly, on September 28, 2023, CLI was awarded 2 Golden Arrows by the Institute of Corporate Directors ("ICD"). Companies with exemplary corporate governance were honored in the 2023 ACGS and CGS Golden Arrow Recognition, carried out by the ICD at Okada Manila Hotel.

CLI's unwavering commitment to innovation and excellence underscores its continual strides towards becoming the premier developer in VisMin. Through dedicated efforts in refining strategies, embracing technological advancements, and fostering a culture of excellence, CLI remains resolutely positioned at the forefront of the region's development landscape. This dedication to surpassing benchmarks and setting new industry standards is ingrained in its ethos, driving its pursuit of becoming the unequivocal leader in the VisMin region's real estate development industry.

REVIEW ON THE COMPANY'S RESULTS OF OPERATION

January 1 to December 31, 2023 vs. January 1 to December 31, 2022

In 2023, CLI delivered strong financial results, with consolidated net income reaching ₱3.84 billion based on restated figures following the adoption of PFRS 15. This represents a notable 24% year-on-year increase from the restated ₱3.10 billion in the previous period. Net income attributable to the parent also posted solid growth of 4%, rising to ₱2.79 billion from ₱2.69 billion year-on-year. The earnings improvement was driven by CLI's sustained strength across all revenue streams, resulting in a 20% increase in consolidated revenues to ₱18.82 billion from ₱15.66 billion. This growth was underpinned by higher construction progress and increased sales take-up.

REVENUES

Real estate sales

Real estate sales recorded a significant 20% y-o-y increase in revenue to ₱18.51 billion from ₱15.44 billion. Higher construction progress and more units that qualified for revenue recognition were the causes of the reported improvement.

In terms of location, Cebu still is the strongest contributor of revenue which accounted for 43% of its overall figure. Visayas (ex-Cebu) and Mindanao contributed 26% and 24%, respectively. The increase in share in revenue outside Cebu was driven by new projects such as East Village Residences, Casa Mira Towers Bacolod, Casa Mira Towers Palawan, and Costa Mira Beach Panglao.

Revenue per Market segment reported the following performance:

Premier Masters (Premier market) recorded revenue of ₱ 4.69 billion, an increase of 23% y-o-y from ₱3.83 billion mainly driven by the new revenue qualifications from Costa Mira Beachtown Mactan and Panglao, Calle 104, Citadines Paragon, and One Paragon Place.

Garden Series (Mid-market), likewise grew 35% y-o-y from ₱4.16 billion to ₱5.60 billion. The increase was steered by The East Village, the first residential project of CLI's Davao Global Township ("DGT") and Mandtra Residences in Cebu.

Casa Mira Series (Economic market) reported a stable revenue of ₱8.13 billion, driven by Casa Mira Towers Bacolod T1-T2, Casa Mira South Ph3A2, Casa Mira Homes

Davao, Casa Mira Towers Guadalupe T3, Casa Mira Homes Ormoc, Casa Mira Homes Danao and Casa Mira Towers Palawan.

The Company expects to grow real estate revenue contribution from projects newly launched during the period.

Leasing

The company experienced a substantial growth in rental revenues, reaching ₱112.34 million, a notable 42% y-o-y surge from ₱79.27 million. This upturn was predominantly driven by a blend of augmented lease rates and the revenue influx from recently completed projects. Notably, for the year 2023, CLI has significantly expanded its GLA to 35,772 sq. m., marking a remarkable 19% increase from the previous quarter's 30,006 sq.m. This surge is attributed to the successful turnover of Banilad Highstreet and Drive-Thru spaces in DGT, currently boasting impressive lease rates of 72% and 100%, respectively. These developments stand as pivotal contributors to CLI's upward trajectory and burgeoning success in the market.

Hotel operations

The resurgence in the travel and leisure sector served as a powerful catalyst for CLI's hotel operations, resulting in a remarkable upsurge in revenue. Notably, the hotel operations soared to generate ₱138.55 million, a striking leap from ₱83.42 million during the same period in the previous year, marking a robust 66% growth. This impressive increase was primarily fueled by a surge in bookings and elevated room rates, particularly evident in Citadines Cebu City.

In the last quarter of 2023, the Company turned over a portion of rooms from The Pad and Baseline Lyf. This move significantly bolstered the hotel's keys, escalating from 180 to 338. The remaining hotel keys of The Pad and Baseline Lyf are scheduled for completion in the first quarter of 2024, promising a substantial increase in revenue for the hotel operations in the following year. Furthermore, with seven additional hotels currently under construction, CLI is strategically positioning itself to further capitalize on the burgeoning opportunities within the hospitality sector.

Property Management

This included the project management fee that CLI charges for being the project manager on JV projects and the property management fee for CLI Property Management (CLIPMI) services provided to CLI's completed projects. During the year, the parent company's project management revenue reached ₱172.90 million, these are fees charged to CLI's JV companies for managing the development of the project. On the other hand, property management fees increased by 7% to ₱59.22 million, from ₱55.47 million in the same period last year, reflecting an increase in managed projects by the property arm.

COST OF SALES AND SERVICES

In line with the growth in revenue performance, the Company's cost of sales for the year ended December 31, 2023, amounted to ₱8.40 billion, reflecting a 7% year-on-year increase from the restated ₱7.84 billion in 2022. Both figures are based on restated values following the adoption of PFRS 15.

OPERATING EXPENSES

Total operating expenses during the year amounted to ₱2.78 billion, an 18% y-o-y increase from ₱2.37 billion of the same period in 2022. The increase was mainly driven by commissions and incentives which grew by 30% to ₱742.53 million in line with the increase in revenue from real estate sales and robust sales performance during the period.

The Company carefully balanced its debt mix of 65% fixed and 35% floating rates. Due to this, CLI is able to maintain its competitive rate of 6.36% despite an increase in benchmark rates.

The stated rate, while being higher than the previous year, is nonetheless competitive when compared to current capital raising rates charged in the sector.

On October 7, 2022, CLI issued its inaugural fixed rate bonds with a total issue size of ₱5.00 billion across the following tenors:

- Series A with a tenor of 3.5 years with a fixed rate of 6.4222%
- Series B with a tenor of 5.5 years with a fixed rate of 6.9884%
- Series C with a tenor of 7 years with a fixed rate of 7.3649%.

The foregoing bonds comprised the first tranche of CLI's ₱15.00 billion shelf program for bonds. The purpose of the 2022 bonds was to raise funds to extend the debt maturity of the company and lock in rates to address any interest rate risk brought about by the challenging macro environment.

NIAT ATTRIBUTABLE TO NCI

For the year ended December 31, 2023, net income attributable to non-controlling interests (NCI) significantly increased to ₱1,040.71 million, compared to the restated ₱413.00 million in 2022. Both figures are based on restated values following the adoption of PFRS 15. The strong growth was primarily driven by increasing contributions from new joint venture projects, including The East Village T1–T4 (YHEST) in Davao, Calle 104 T1–T2 (BL RAMOS) in Cebu, and Costa Mira Beachtown Panglao in Bohol.

REVIEW OF THE COMPANY'S FINANCIAL CONDITION

As of December 31, 2023 vs December 31, 2022

CLI's balance sheet remains strong and healthy to support construction and expansion plans. As of December 31, 2023, CLI restated total assets of ₱100.45 billion, an increase of 20% from the restated ₱83.92 billion as of December 31, 2022 driven by progress in construction from sold units.

ASSETS

36% decrease in Cash and Cash equivalents

Due to payments on loans such as Retail Bonds, Corporate Notes 1, and Project Term Loans as well as other payables to contractors and suppliers.

39% decrease in Receivables (including Non-Current Portion)

Declined from ₱3.68 billion to ₱2.25 billion due to collections from completed projects.

41% increase in Contract Assets (including Non-Current Portion)

Increased to ₱45.09 billion from ₱31.98 billion mainly from installment contracts on existing and newly launched projects during the year that continue to recognize real estate sales revenue as construction progresses.

1% decrease in Real Estate Inventory

Decreased to ₱17.06 billion from ₱17.19 billion mainly due to increased building cost, new land acquisitions, and higher construction progress of the Company's projects.

88% decrease in Deposit on Land for Future Development

Declined from ₱130.00 million to ₱15.00 million mainly due to the transfer to raw land inventory.

36% increase in Due from Related Parties

Increased to ₱48.60 million from ₱35.80 million due to transactions paid by CLI (Parent) on behalf of its related parties.

30% increase in Prepayments and Other Current Assets

Increased to ₱6.43 billion from ₱4.97 billion due to advances to subcontractors and suppliers on newly awarded projects. Prior year figure was restated due to reclassification of certain deferred commissions as part of Prepayments and Other Current Assets to Other Non-current Assets account due to its expected recognition as expense in the succeeding years

50% increase in Property and Equipment

Increased to ₱7.24 billion from ₱4.81 billion due to the construction of new offices and branches to support CLI's expanding developments.

3% decrease in Right of Use Asset

Declined from ₱1.17 billion to ₱1.13 billion due to amortization of high-value leasehold rights.

3% increase in Investment Properties

Increased to ₱18.33 billion from ₱17.75 billion attributed to ongoing construction of recurring income generating projects such as Masters Tower, Abaca Resort, Astra Corporate Center, and DGT.

176% increase in Other Non-Current Assets

Increased from ₱1,141 million restated amount to ₱1,790 million due to increase in advances to contractors.

LIABILITIES

18% increase in Interest-Bearing Loans and Borrowings (including Non-Current Portion)

Increased to ₱47.14 billion from ₱39.99 billion due to new availments from project term loans.

21% Increase in Trade Payables (including Non-Current Portion)

Increased to ₱22.97 billion from ₱19.04 billion due to accruals made on unbilled costs to match with revenue recognized.

25% decrease in Contract Liabilities

Decreased from ₱598.36 million to ₱449.34 million due to an increase in collections from buyers coming from new project launches that are ahead of the stage of completion.

39% decrease in Income Tax Payable

Decreased to ₱2.21 million from ₱3.65 million due to the accrual of income tax due for the period.

46% increase in Deferred Tax Liabilities - Net

Increased to ₱5.02 billion from ₱3.45 billion due to additional recognized tax liability on taxable temporary differences.

EQUITY

9% increase in Parent Company's Retained Earnings

Increased to ₱23.45 billion from the restated ₱19.48 billion, primarily due to net income recognized during the period, following the adoption of PFRS 15.

2022 COMPANY MILESTONES

CLI is the leading RED in Visayas and Mindanao currently located in 16 key cities.

In 2022, CLI continued to launch projects to strengthen its market leadership in Visayas and Mindanao.

During the same year, it unveiled more of its mid and premier series as the economy gradually reopens. Sixteen projects were successfully launched and substantially sold out driving up the Company's reservations sales namely:

- a. Astra Corporate Center
- b. Casa Mira Dumaguete Ph2
- c. The East Village T1
- d. The East Village T2
- e. The East Village T3
- f. Velmiro Bohol Expansion Ph2
- g. Casa Mira South 4B.2
- h. The East Village T4
- i. DGT Lots Only
- j. Casa Mira Towers Palawan Ph1 (T1-T2)
- k. Ramos Tower at Calle 104
- l. The Ranudo Tower at Calle 104
- m. Casa Mira Homes | Danao
- n. Costa Mira Bohol
- o. Casa Mira Towers Bacolod T3
- p. Casa Mira Towers Palawan T3

CLI recorded a 14% hike in reservation sales y-o-y to ₱18.80 billion driven by a robust VisMin market. A high 73% of total sales were from newly launched developments with the rest coming from persistent demand for on-going projects.

The Company launched close to 5,000 units in 16 projects worth ₱28.40 billion in 2022 and were 74% sold by the end of the year. Sales velocity of these launches hit peak levels with most developments fully taken up within days.

CLI started the year with strong reservation sales by selling out all three towers of the first residential development in DGT in four days, generating a record ₱4.07 billion in sales. This validates DGT as the most anticipated premier township in Davao.

The first among many launches in 2022, the East Village at DGT is the first residential development in the township with over 2,000 residential unit offerings spread across the 6-tower vertical village. The newly launched and sold-out three towers with a total of 1,087 units are scheduled for completion in Q3 2026.

Part of DGT's Phase 1 is the ₱700.00 million lifestyle mall called the DGT City Center that will be a landmark destination presenting an array of retail, restaurant and entertainment choices. It will feature dynamic, al fresco spaces, and lush indoor gardens offering worry-free strolling and shopping. To complement this is the ₱200.00 million DGT Cultural Center with showrooms, museum spaces, a theater, and function room which can hold up to 250 people.

In May 2022, CLI accelerated its expansion to Eastern Visayas with the launch of Casa Mira Homes Ormoc, a 685-unit subdivision project on a 9-ha. property. Casa Mira Homes Ormoc, to be completed in 2023, is the 11th Casa Mira development in VisMin.

On June 20, 2022, CLI disclosed the approval of its Board of Directors of the offer and issuance of peso-denominated fixed rate bonds with a principal amount of up to ₱5.00 billion and an oversubscription option of up to ₱3.00 billion (the "**Bonds**"). The Bonds are part of the up to ₱15.00 billion fixed rate bonds to be applied by the Company for shelf registration.

CLI intended to use the proceeds from the Bonds to support its growth plans, primarily by investing in markets where CLI's initial foray has exceeded expectations and continuing its strategic land banking activities.

Also in June 2022, during its 2022 Annual Stockholders Meeting, the Company set out its expansion plans, among the focal points are three townships now under development. On the

road to creating a critical mass of residents is the 22-ha. DGT sold out in four days the first three towers of its first residential project The East Village at DGT. This prompted the launch of the fourth tower. Planning and development are likewise underway on the 14.3-ha. property in Cagayan de Oro acquired from Xavier University and envisioned to be a mixed-use university town. Reclamation works have also begun on the 100-ha. Minglanilla Techno Business Park in Cebu which is envisioned to be a regional growth center.

As part of the Company's commitment to provide quality and sustainable in-city vertical socialized housing, CLI turned over on June 29, 2022 the ₱115.00 million medium-rise building donated for the people of Cebu City. After less than 12 months of construction, 100 informal settler families now have a decent shelter. Walk-Up Sugbo 1 is a joint collaboration between CLI, the Cebu City Government, and the DHSUD and is designed to provide quality transition housing for informal settlers living in danger zones. It is the first of its kind of socialized housing development in VisMin and is one of the most generously appointed socialized housing buildings in the country.

At the same time, CLI, together with the Mandaue City Government and the DHSUD, signed an agreement and broke ground on the ₱100.00 million Tipolo Residences Building 4, a mid-rise socialized housing for the informal settlers and 2019 fire victims of Barangay Tipolo. Ninety identified beneficiaries joined the momentous occasion and shared their excitement for their future homes.

On July 19, 2022, Philippine Rating Services Corporation ("**PhilRatings**") assigned an Issue Credit Rating of PRS Aa plus, with a Stable Outlook, for CLI's proposed bond issuance. This is the initial tranche of the Company's new three-year Shelf Registration program amounting to ₱15.00 billion.

PhilRatings has also upgraded the Issue Credit Rating for CLI's outstanding Series A to C Corporate Notes worth ₱5.00 billion to PRS Aa plus, with a Stable Outlook, from PRS Aa.

On July 23, 2022, DGT was formally inaugurated, completing site development in just two years. After only two years of site development, YHEST Realty Development Corp., a JV between CLI and the Yuson, Huang, and Tan families of the prominent Villa-Abrile clan of Davao, officially inaugurated the 23-ha. DGT is envisioned to be Mindanao's most sustainable central business district. It also started to offer 27 township commercial lots for sale after completing the utilities and road networks of the property. The commercial lots for sale have a total area of 47,194 sq.m. and lot sizes range from 1,054 sq.m. to 3,446 sq.m.

DGT Phase 1 includes the township's first residential development The East Village at DGT, a commercial area and lifestyle mall DGT City Center (opening early 2024), and DGT Cultural Center (opening 2024).

In August 2022, the Company purchased a 17-ha. expansion site in Butuan City. This acquisition brought up the Company's total landbank to 116 has.

In September 2022, CLI sold out Calle 104, a two-tower upscale residential project in record three days. The sales of the ₱2.40 billion for Calle 104, which straddles Ramos and Ranudo Streets, is a popular address of prominent families in Cebu. The high-end project in Cebu is CLI's eighth launch in 2022 across VisMin. Calle 104 is a JV project of CLI and Borromeo Brothers Estate, Inc. under Cebu BL Ramos Ventures Inc. The upscale mixed-use development designed by Casas + Architects to be completed in Q4 2026 has two distinct towers connected by a retail podium with a gross floor area of 5,000 sq.m. of lifestyle options including restaurants, clothing, and essentials. A 2,300 sq.m. supermarket is located in the basement for the convenience of residents.

On September 22, 2022, CLI finalized the issue size of its maiden fixed rate Bonds offering, with an aggregate principal amount of ₱5.00 billion across three tenors. This initial issuance is the first from CLI's shelf registration of a ₱15.00 billion debt securities program to be utilized within three years. In a strong show of confidence in CLI, the Company's maiden retail bonds received strong demand from both institutional and retail investors, even as CLI priced at the lowest end of the initial spread range. Interest rates have been set for the 3.5Y Series A at 6.4222%, for

the 5.5Y Series B at 6.9884%, and for the 7Y Series C at 7.3649%. The Company received its Permit to Sell from the SEC for its maiden retail bond Issuance on September 27, 2022.

On September 29, 2022, disclosed that in its first foray in Palawan, CLI sold in less than one week 85% of the first phase of an economic housing project in Puerto Princesa. Projected gross revenues from this seven-tower development is pegged at ₱6.00 billion, with phase one set for completion in Q4 2025. The first venture in Palawan was a success. It showed that there is indeed a broader market for the bestselling housing brand Casa Mira beyond VisMin, and that the CLI is gaining traction in new areas of expansion.

On October 7, 2022, CLI successfully listed its first fixed-rate bond offering at the PDEX. BPI Capital and Chinabank Capital have been appointed as joint issue managers, joint lead underwriters, and joint bookrunners. PNB Capital, RCBC Capital, and SB Capital Investment Corporation are co-lead underwriters.

CLI dominated the 10th PropertyGuru PPA bagging 12 accolades including the Best Developer (Visayas) and Best Developer (Mindanao) awards presented in an exclusive gala event. CLI was also given Special Recognition in ESG and in Sustainable Design and Construction.

List of Winners:

- Abaca Resort Mactan, Best Resort Development
- Costa Mira Beachtown Mactan, Best Waterfront Condo Development
- The East Village, Best Condo Development (Mindanao) and Best Condo Architectural Design
- Sofitel Cebu City, Best Hotel Architectural Design
- Terranza Residences, Best Condo Development (Visayas)

Highly Recommended:

- Astra Centre, Best Mixed-Use Development
- Sofitel Cebu City, Best Hotel Development

CLI, together with the Cebu City Government, officially opened a new F. Ramos Extension access road to vehicular traffic starting October 19, 2022.

The 200-meter F. Ramos Ext. access road provides a direct link between MP Yap and Llorente streets and provides an alternative access to and from Juana Osmena St. via Base Line Drive. This will help improve traffic flow and provide the community with an easier route to business establishments and lifestyle destinations around the area.

On October 28, 2022, CLI introduced a new immersive mountain resort in Balamban, Cebu. CLI further expands its growing leisure and hospitality portfolio with the 21 ha MagsPeak Mountain Resort and Villas. The 21-ha mountain estate in Magsaysay Peak in Balamban, Cebu, with an elevation of 800 meters is a JV between CLI and MagsPeak composed of Cebuano businessman and fellow Caminoans, Bob Gothong, Segundino Selma Jr., Richard Ray King, and Douglas Gacasan. It is designed to create a holistic mountain experience for Cebu with an outdoor, religious, and hospitality component, built with sustainability at its core. MagsPeak's offers a unique hospitality experience managed by CLI's Hospitality arm, CLI Hotels & Resorts. Opening in 2025, the resort comprises 13 exclusive mountain villas and 20 hotel rooms highlighting views of the Balamban mountain landscape and the western Cebu seascape. Guest stays will further be enhanced with a clubhouse, heated infinity pools, and a farm-to table restaurant. With sustainability integral to its development, MagsPeak showcases eco-friendly initiatives and outdoor programs such as hiking trails, camping facilities, and other child-friendly activities surrounded by nature.

With the Company's stellar performance and proven execution capability to adapt to the new normal surpassing pre-pandemic growth and income levels, the Board deemed it fit to declare a regular and special cash dividend of ₱0.15 and ₱0.03 per share on March 20, 2023 with a total estimated amount of ₱623.00 million, a 21% increase from the ₱520.00 million paid to stockholders last year. The recently declared dividends had a record date of April 18, 2023 and were paid on April 28, 2023.

REVIEW ON THE COMPANY'S RESULTS OF OPERATION

FY 2022 vs FY 2021

Increased to ₱23.45 billion from ₱19.48 billion, with the 2022 figure restated following the adoption of PFRS 15. The growth was primarily driven by net income recognized during the period.

REVENUES

CLI's topline grew significantly by 40% to ₱15.66 billion from 2021's ₱11.16 billion driven by significant construction accomplishments coupled by robust sales and collections, which have further resulted in a ₱29.00 billion or 17% increase in unrecognized revenue for future recognition.

Real estate sales

Revenue from the sale of real estate recorded a 40% growth y-o-y to ₱15.44 billion from ₱11.00 billion in 2021. The high growth was driven by significant construction progress and more accounts qualifying for revenue recognition from continued collections. By the end of the year, construction was in full swing across all project sites in 16 key cities in VisMin with catch-up measures in place to compensate for delays caused by quarantine restrictions.

Casa Mira accounted for the largest share of revenues at 47%, followed by the Garden series with 27%, and Premier Masters with 24%. The mix of revenue recorded during the year was brought about by the strong Casa Mira sales during the height of the pandemic in 2020. In terms of location, CLI's operations in Cebu remain outstanding, representing 42% of the total revenues, with Davao following at 19%, Iloilo at 12%, and CDO contributing 10%.

Premier Masters (Premier market), at ₱3.80 billion, increased by 47% y-o-y from ₱2.60 billion driven by the new revenue qualifications and accomplishments from Terranza residences in Iloilo and Costa Mira Beach in Mactan.

Garden Series (Mid-market), at ₱4.20 billion, higher by 30% y-o-y from ₱3.20 billion, the biggest contributor was The East Village, the first residential project of CLI's DGT.

Casa Mira Series (Economic market), at ₱7.36 billion, grew by 43% y-o-y from ₱5.16 billion, driven by Casa Mira Ormoc, Casa Mira Homes Dumaguete and Casa Mira LPU in Davao.

In Q4 2022, the Company recorded a total consolidated revenue of ₱4.69 billion, a 34% increase versus the ₱3.50 billion in Q4 2021 and is also 34% higher quarter on quarter ("q-o-q") from the ₱3.51 billion that was reported on Q3 2022. The strong performance during the fourth quarter was driven by the increase in real estate revenue due as construction is now in full swing in the various development sites of the company.

Hotel operations

Launched on September 14, 2019, Citadines Cebu City posted ₱83.42 million for the period ending December 31, 2022. Hotel revenue grew significantly by 71% with the reopening of local and international borders, reviving trade, and tourism.

Leasing

CLI's rental revenues improved by 7% posting ₱79.28 million in 2022 from ₱74.27 million in 2021. Growth driven by increased lease contracts and new tenants in the newly completed Latitude Corporate

Center. GLA decreased to 29,085 sq.m. from 29,133 sq.m due to conversion to office space (CLI's office expansion). As of December 31, 2022, rental occupancy rate is at 48%, an increase from 41% as of December 31, 2021.

Property Management

Revenue from property management fees is at ₱55.47 million, a 29% y-o-y increase from ₱42.97 million mainly from continuous turn-over of completed projects during the year — Casa Mira South Phase 1 and 2, Casa Mira Coast, Velmiro Uptown CDO, and Casa Mira Bacolod.

COST OF SALES AND SERVICES

With the adoption of PFRS 15, the Company's cost of sales for the period ended December 31, 2022 was restated to ₱7.87 billion from the originally reported ₱8.37 billion, representing a 32% increase from ₱5.97 billion in the previous year, in line with the growth in revenue.

OPERATING EXPENSES

Total operating expenses during the year amounted to ₱2.37 billion, a 21% y-o-y increase from ₱1.95 billion mainly due to the increase in accounted commissions and incentives to ₱847.16 million caused by the implementation of PFRS 15, which required the accrual of the said commissions and incentives.

Salaries and employee benefits also grew by 20% to ₱532.69 million which aligns with the increase in the Group's manpower to 801 employees from 691 employees to support CLI's expansions across VisMin. During the year, the Company also spent ₱122.00 million in costs attributable to the purchase of the 17 hectares expansion site in Butuan.

INTEREST EXPENSE

During the year, borrowing costs amounted to ₱811.68 million with a higher average borrowing rate of 6.07%, an increase from the cost of borrowing reported in 2021 of 4.77%. The borrowing cost represents the interest on bank loans and corporate notes to fund the Company's project developments that are recognized as period costs and expenses.

REVIEW OF THE COMPANY'S FINANCIAL CONDITION

As of December 31, 2022 vs December 31, 2021

CLI's balance sheet remained solid and healthy to support construction and expansion plans. As of December 31, 2022, CLI's restated consolidated assets stood at ₱83.92 billion, a 26% y-o-y growth from ₱66.65 billion driven by the increase in contract assets, real estate inventories, and investment properties.

ASSETS

31% increase in Cash and Cash equivalents

Increased to ₱1.45 billion from ₱1.10 billion largely due to collections and higher take-outs deposited under Short-term placements.

39% decrease in Accounts receivable (including Non-Current Portion)

Decreased to ₱3.68 billion from ₱6.01 billion mainly due to collections from completed projects.

58% increase in Contract Assets (including Non-Current Portion)

Increased to ₱31.98 billion from ₱20.29 billion mainly from installment contracts on existing and newly launched projects during the year that continue to recognize real estate sales revenue as construction progresses.

8% decrease in Real Estate Inventory

The balance decreased to ₱17.37 billion as restated, from the originally reported ₱18.31 billion, and compared to ₱18.71 billion in the prior year. The decline was mainly due to lower land development costs and reduced raw land inventory. The restatement reflects the adoption of PFRS 15, which requires recognizing costs based on project progress, resulting in a lower reported amount.

100% increase in Deposits on Land for Future Development (including Non-Current Portion)

Increased to ₱130.00 million and none from 2021 since fully paid land purchases were reclassified to raw land inventory amounting to ₱1.08 billion.

38% decrease in Due from Related Parties

Transactions paid by the Parent Company on behalf of its related parties decreased to ₱35.80 million from ₱57.43 million mainly from collections on subsidiary and affiliate businesses.

21% increase in Prepayments and Other Current Assets

Increased to ₱4.97 billion as restated from ₱4.11 billion coming from downpayments and advances to suppliers and subcontractors; prepaid commissions, and related input VAT on construction materials purchased.

1% decrease in Investments in Associates

Decreased to ₱133.56 million from ₱135.06 million mainly from the additional investment in Magspeak in 2021 amounting to ₱24.25 million. In 2022, only ₱8.00 million additional investment to ICOM.

426% increase in Property and Equipment – Net

Increased to ₱4.81 billion from ₱915.67 million mainly from the reclassification of investment property.

34% increase in Investment Properties – Net

Increased to ₱17.75 billion from ₱13.24 billion attributed to ongoing construction of investment properties, which include hospitality and commercial assets.

1% increase in Right-of-Use Asset and 10% increase in Lease Liabilities

Right-of-use asset and lease liability increased to ₱1.17 billion and ₱1.15 billion, respectively, with recognition of the high-value leasehold rights acquired on the 43-year land lease for Cebu Business Park Office and Patria during the year.

LIABILITIES

25% increase in Interest-Bearing Loans and Borrowings (including Non-Current Portion)

Increased to ₱39.99 billion from ₱32.02 billion mainly from new bank loans availed including proceeds from bonds issuance.

49% increase in Trade and other payables (including non-current portion)

Increased to ₱19.04 billion from ₱12.82 billion mainly represent accrued cost of sales to match revenue recognition, outstanding obligations to owners of parcels of land acquired, subcontractors, and suppliers of construction materials.

68% increase in Deferred Tax Liabilities

Increased to ₱3.44 billion stated from ₱2.05 billion prior year due to additional recognized tax liability on taxable temporary differences.

EQUITY

0% increase in Additional Paid-In Capital

Increase of ₱2.00 million due to the exercise of ESOP, the Company issued 3,349,470 common shares with a par value of ₱1.00 or ₱3,349,470 to its qualified employees out of its treasury

shares and recognized an additional paid-in capital amounting to ₱18.32 million from the transaction.

2% decrease in Treasury Shares

Decreased to ₱732.66 million from ₱748.17 million. In 2022, the Parent Company issued to its qualified officers 3,349,470 common shares out of its treasury shares in relation to the ESOP.

3% Increase in Revaluation Reserves

Increased to ₱13.91 million from ₱13.48 million due to increase in estimated loss on remeasurement of post-employment defined benefit obligation.

5% increase in NCI

Increased to ₱7.41 billion as restated from ₱7.09 billion in prior year significantly from increased share in net profit in 2022 by ₱379.07 million.

Increased to ₱7.41 billion as restated from ₱7.09 billion in the prior year, primarily due to a significant rise in the Company's share in net profit in 2022 amounting to ₱379.07 million.

FY 2020 vs. FY 2019

For the period ending December 31, 2020, the Company's NIAT was at ₱1.85 billion, a slight decline of 8% y-o-y from ₱2.01 billion. The decline in the Company's bottom line numbers was due to the stringent lockdown measures imposed by the government during the period. This translates to an EPS of ₱1.15.

CLI bounced back and posted a strong financial growth as restrictions eased during the second half of 2020. The Company's consolidated NIAT during the second half of the year was at ₱1.16 billion, 26% higher as compared to the first half. CLI's NIAT during the second half of 2020, on the other hand, was at ₱1.05 billion, 33% higher than the first half.

REVENUES

For the period ending December 31, 2020, CLI generated consolidated revenue of ₱8.30 billion, a slight decline of 2% y-o-y from ₱8.50 billion. In the fourth quarter of the period, consolidated revenue registered at ₱2.59 billion, 18% growth from ₱2.20 billion in the third quarter of 2020, as travel restrictions ease and as operations and construction recuperate.

Real estate sales

Revenue from sale of real estate reached ₱8.15 billion, a 3% y-o-y slight decline from ₱8.39 billion in 2019, driven by Garden Series (36%), followed by Casa Mira Series (32%) and Premier Masters (27%).

In the same period of 2019, Garden Series generated 37% of the total revenues, followed by Casa Mira (30%) and Premier Masters (30%). In terms of location, CLI's presence in Cebu remains strong, representing 52% of the total revenues, followed by CDO (16%) and Bacolod (11%), for both periods ending December 31, 2020.

Premier Masters (Premier market), at ₱2.22 billion, declined by 13% y-o-y from ₱2.54 billion, with the construction slowdown of 38 Park Avenue due to the pandemic.

Garden Series (Mid-market), at ₱2.99 billion, slightly declined by 6% y-o-y from ₱3.12 billion, driven by Mivela Garden Residences, Velmiro Plains Bacolod, and the recently launched, Velmiro Greens Bohol.

Casa Mira Series (Economic market), at ₱2.67 billion, grew by 6% y-o-y from ₱2.51 billion, mainly from newly launched projects during the year: Casa Mira Iloilo and Casa Mira South Phase 3B.

During the second half of 2020, CLI posted a 38% growth as compared to the first half. The robust growth was driven by the easing of quarantine across VisMin sites increasing construction efficiency to 90% from 70% in the second quarter. Collections on the other hand has also improved with more accounts qualifying for revenue recognition in the last two quarters.

Hotel operations

Launched on September 14, 2019, Citadines Cebu City posted ₱54.56 million for the period ending December 31, 2020. With hotel revenues driven from BPO companies that housed their employees during the lockdown.

Leasing

The Company offered rental concessions and holidays to support local businesses during lockdown decreasing its rental revenue by 13% y-o-y to ₱55.24 million from ₱63.16 million. GLA increases by 2% y-o-y to 14,536 sq.m. from 14,296 sq.m. with the completion of retail spaces in residential projects. As of December 31, 2020, rental occupancy rate is at 79%, a minor decline from 82% as of December 31, 2019.

Property Management

Revenue from property management fees is at ₱42.59 million, 16% y-o-y increase from ₱36.84 million mainly from continuous turn-over of completed projects during the year – Casa Mira South Phase 1 and 2, MesaVerte Residences, and Mivesa Garden Residences Phase 3.

COST OF SALES

The Company's cost of sales for the period ended December 31, 2020 was at ₱4.28 billion, from ₱4.30 billion in line with the slim decrease in revenue.

OPERATING EXPENSES

Total operating expenses during the period amounted to ₱1.27 billion, 11% y-o-y increase from ₱1.15 billion mainly from an increase in commissions and incentives to ₱429.73 million with the implementation of PFRS 15. Salaries and employee benefits also grew by 18% to ₱367.04 million due to an increase in the Group's manpower to 574 employees from 475 employees to support CLI's expansions across VisMin. Despite the digitalization of the Company's sales and marketing, other operating expenses likewise increased as the Company implemented and heightened safety and health protocols in the workplace.

INTEREST EXPENSE

During the year, borrowing costs amounted to ₱460.13 million with average borrowing rate of 4.96% representing the costs on bank loans and corporate notes to fund the Company's project developments. This includes the ₱8.00 billion corporate notes issued during the year.

OTHER INCOME/ EXPENSE

The company's other operating income likewise increased to ₱68.60 million from ₱53.13 million due an increase in administrative fees charged to the customers. During the year, the company has also recognized a decline in other gains and losses from ₱120.12 million to ₱38.00 million due to the booked forex loss on the settlement of payables denominated in foreign currency.

NIAT ATTRIBUTABLE TO NCI

For the period ended December 31, 2020, NIAT attributable to NCI stood at ₱229.61 million, 46% y-o-y decline from ₱425.65 million, due to the minimal incremental sales and POC on

existing JV projects due to the completion and ongoing turn-over of Mivesa Garden Residences Phase 3 (MGR) and Latitude Corporate Center (BLCBP).

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

CLI's balance sheet remained solid and healthy to support construction and expansion plans. As of December 31, 2020, CLI's consolidated assets reported a 31% y-o-y growth to ₱50.09 billion from

₱38.28 billion driven by the increase in contract assets and investment properties.

ASSETS

13% decrease in Cash and Cash Equivalents

Decreased to ₱797.18 million from ₱917.17 million due to additional safety and health equipment, rapid testing, and donations to aid the Company's customers, employees, and community during COVID.

5% increase in Accounts Receivable (including Non-Current Portion)

Increased to ₱6.14 billion from ₱5.88 billion mainly due to reclassification of customer's outstanding receivable on fully completed units in Mivesa Garden Residences, Latitude, and Villa Casita North from contract assets to accounts receivable.

56% increase in Contract Assets (including Non-Current Portion)

Increased to ₱13.86 billion from ₱8.89 billion mainly from installment contracts on existing and newly launched projects during the year that continue to recognize real estate sales revenue as construction progresses.

46% decrease in Deposits on Land for Future Development (including Non-Current Portion)

Decreased to ₱699.77 million from ₱1.29 billion as fully paid land purchases were reclassified to raw

land inventory. Additional deposits on land for the year amount to ₱868.10 million.

42% increase in Real Estate Inventory

Increased to ₱13.40 billion from ₱9.45 billion driven by unsold inventory on newly projects launched during the year and ₱1.46 billion fully paid raw land reclassified from deposits on land to real estate inventory.

121% increase in Due from Related Parties

Transactions paid by CLI on behalf of its related parties increased to ₱21.95 million from ₱9.95 million mainly from cash advances to shareholders, entities under common ownership, and associates.

33% increase in Prepayments and Other Current Assets

Increased to ₱3.02 billion from ₱2.27 billion coming from advances to suppliers and subcontractors; prepaid commissions and related input VAT on construction materials purchased.

693% increase in Investment in Associates

Increased to ₱129.85 million from ₱16.38 million mainly from investment to ICOM during the year amounting to ₱96.40 million.

81% increase in Property and Equipment – Net

Increased to ₱ 643.39 million from ₱355.12 million with the construction of new offices and branches to support CLI's expanding developments.

444% increase in Right-of-Use Asset and 495% increase in Lease Liabilities

Right-of-use asset and lease liability increased to ₱950.90 million and ₱834.73 million, respectively, with recognition of the high-value leasehold rights acquired on the 43-year land lease for Cebu Business Park Office during the year.

13% increase in Investment Properties – Net

Increased to ₱10.09 billion from ₱8.90 billion attributed to ongoing construction on recurring income projects and businesses.

162% increase in Other Non-Current Assets

Increase in this account is attributed to the advances and down payments made by the company to its contractors for the construction packages made for the company's projects.

LIABILITIES

41% increase in Interest-Bearing Loans and Borrowings (including Non-Current Portion)

Increased to ₱23.79 billion from ₱16.85 billion mainly from the ₱8.00 billion Corporate Notes issued during the year.

29% increase in Trade and Other Payables (including Non-Current Portion)

Increased to ₱7.48 billion from ₱5.78 billion representing outstanding obligations to subcontractors and suppliers of construction materials.

27% increase in Contract Liabilities

Increased to ₱532.65 million from ₱418.97 million due to increase in collections from buyers with units that have a relatively lower stage of progress completion versus the amount paid.

495% Increase in Lease Liabilities

Due to new lease contracts of the company which are 1) 43-year lease contract entered by the company for a property in Cebu Business Park to develop Masters tower project and 2) 40-year lease contract entered by CLI with the Archdiocese of Cebu for a property in Colon, Cebu called Patria de Cebu.

50% increase in Deferred Tax Liabilities

Increased to ₱1.69 billion from ₱1.12 billion due to additional recognized tax liability on taxable temporary differences.

EQUITY

196% increase in Treasury Shares

On March 27, 2020, the Board of Directors of CLI approved an additional ₱500.00 million stock buyback program to support CLI's stock price and take advantage of the current low valuation for the next two years. Treasury shares purchased during the period amount to ₱485.66 million.

96% increase in Revaluation Reserves

Increased to ₱12.88 million from ₱6.59 million due to an increase in estimated loss on remeasurement of post-employment defined benefit obligation.

31% increase in Retained Earnings

Due to the Net income recognized during the period.

14% increase in NCI

Increased to ₱6.90 billion from ₱6.06 billion due to the additional paid-in capital during the year to fund JVs, CHDI, Cebu BL Ramos Ventures, and GGTT.

KEY PERFORMANCE INDICATORS

CLI uses a range of financial and operational KPIs to help measure and manage its performance. These KPIs reflect the Company's continuous focus on efficiency, cost control and profitability across all its operations.

Management considers the following as KPIs:

	2020	2021	2022	2023	2024
Gross Profit Margin ¹	48%	46%	50%	55%	52%
Net Income Margin ²	25%	24%	20%	20%	20%
EBITDA ³	₱3.29 billion	₱3.71 billion	₱5.78 billion	₱ 8.23 billion	₱ 7.59 billion
EBITDA Margin ⁴	40%	33%	37%	44%	39%
Interest Coverage Ratio ⁵	4.69	3.74	4.89	4.12	5.44
Return on Average Assets ⁶	5%	5%	4%	4%	4%
Return on Average Equity (Parent) ⁷	23%	27%	23%	20%	26%
Return on Average Equity (Consolidated) ⁷	14%	16%	17%	17%	15%
Current Ratio ⁸	2.41	1.64	1.58	1.51	1.51
Net Debt-to-Equity Ratio ⁹	1.48	1.72	1.98	1.97	1.58
Debt-to-Equity Ratio ¹⁰	1.53	1.79	2.05	2.01	1.64

1. Gross Profit Margin is gross profit as a percentage of revenues.
2. Net Income Margin is consolidated net income as a percentage of revenues.
3. EBITDA is defined as earnings before interest, tax, depreciation, and amortization from continuing operations, and before exceptional items. Please see table below for EBITDA calculation.
4. EBITDA margin is EBITDA as a percentage of revenues based on the EBITDA calculation below.
5. Interest Coverage ratio is the sum of EBITDA, cash, and cash equivalents divided by interest incurred. For purposes of the covenants, the ratio shall be computed using 12-months trailing EBITDA plus cash balance over interest due for the next year.
6. Return on Average Assets is net income as a percentage of the average assets as at year-end and assets as at end of the immediately preceding year.
7. Return on Average Equity is net income as a percentage of the average of the equity as at year-end and equity as at end of the immediately preceding year.
8. Current Ratio is current assets divided by current liabilities.
9. Net Debt-to-Equity Ratio is interest-bearing debt (loans, borrowings and bonds payable) less cash and cash equivalents over total consolidated equity.
10. Debt-to-Equity Ratio is interest-bearing debts (loans, borrowings and bonds payable) divided by total consolidated equity.
11. Return on Assets is net income* as a percentage of assets.

Below is the reconciliation of “Consolidated Net Income” to “EBITDA”.

	For the years ended 31 December			
	2024	2023	2022	2021
Consolidated net income	3,997,848,977	3,835,669,996	3,101,915,924	2,670,871,617
Interest expense	2,188,102,745	2,357,079,962	1,227,583,663	488,104,403
Tax expense	1,229,930,328	1,847,179,153	1,283,909,777	432,719,044
Depreciation and amortization	175,519,160	186,911,153	170,626,662	121,798,863
EBITDA	7,591,401,210	8,226,840,264	5,784,036,026	3,713,493,927

The Company's Gross Profit Margin is dependent on the mix of revenue during the period. For the year 2023, CLI's Gross Profit Margin up to 49%, this is due to the higher contribution of premier projects which generated higher margins (63%) compared to only 43% in 2022. Additionally, recurring projects posted lesser revenue contributions during the year, these projects have Gross Profit Margins with over 50% to 60%. Meanwhile, Net Income Margin remains healthy at 25%.

For the year ended December 31, 2023, all other ratios remain healthy with Return on Assets at 5% and Return on Equity (Parent) at 24%. Net Debt to Equity ratio improved to 1.79x from 1.84x because of capital infusions attributed to JV projects. The Company's current ratio projects ample liquidity at 1.55x.

Management together with key officers continue to effectively handle their respective operations and financial requirements despite the pandemic. As a result, CLI's financial position remains liquid and strong.

KPIS; CERTAIN FINANCIAL RATIOS

The existing notes facility agreements to which CLI is a party require that it should comply with certain financial ratios, with testing to be done on an annual basis and using CLI's year-end audited consolidated financial statements. The table below reflects the covenants under such notes facility agreements.

Financial Ratios (Consolidated)	Relevant Definitions	Required Ratios under Notes Facility Agreement	2020	2021	2022	2023	2024
Debt to Equity Ratio	Debt-to-Equity Ratio means the result obtained by dividing (i) the amount of interest-bearing debt (loans, borrowings and bonds payable) of the Issuer by (ii) the total Equity of the Issuer, in each case as appearing in the latest consolidated audited balance sheet of the Issuer.	A maximum ratio of 2.5:1	1.53	1.79	2.05	2.01	1.64
Current Ratio	Current ratio is computed by dividing (i) Total Current Assets over (ii) Current Liabilities.	A minimum ratio of 1:1	2.41	1.67	1.61	1.55	1.55
Interest Coverage Ratio	Interest coverage ratio is computed by dividing the sum of EBITDA, cash, and cash equivalents, by interest incurred during the period. For purposes of the covenants, the ratio shall be computed using 12-months trailing EBITDA plus cash balance over interest due for the next year.	A minimum ratio of 3:1	4.69	3.74	4.89	4.12	5.44

ITEM 7. FINANCIAL STATEMENTS

The Company's audited consolidated financial statements as of and for the periods ending December 31, 2024 and 2023 are incorporated in the accompanying Index.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The Company has engaged the services of Punongbayan and Araullo (P&A) Grant Thornton. There were no disagreements with the firm on any matter of accounting and financial disclosure.

PART III - CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS AND KEY PERSONNEL OF CLI

The overall management and supervision of the Company is vested in its board of directors. The Company's officers and management team cooperate with its Board by preparing relevant information and documents concerning the Company's business operations, financial condition, and results of operations for its review and action.

At present, the Board consists of nine members, including three independent directors in accordance with the requirements of the SRC and the SEC's New Code of Corporate Governance for Publicly Listed Companies. The CLI Board is composed of directors with collective working knowledge, experience, and expertise that are relevant to the real estate industry. The Board oversees the development, review, and approval of CLI's business objectives and strategies. The Board also oversees and monitors the implementation of these business objectives and strategies. The Board reviews business objectives and strategies every board meeting. The CLI Board has an appropriate mix of competence and expertise and they remain qualified for their positions individually and collectively. All of CLI's directors were re-elected during the Company's annual stockholders' meeting held on June 4, 2024.

Members of the Board of Directors

The following are the members of the Board of Directors of CLI:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Citizenship</u>	<u>Date of first appointment as CLI Director</u>
Jose R. Soberano III	69	Chairman of the Board, President, and Chief Executive Officer (CEO)	Filipino	September 2003
Ma. Rosario B. Soberano	66	Director, Treasurer, and Executive Vice-President	Filipino	September 2003
Jose Franco B. Soberano	39	Director, Chief Operating Officer (COO), and Senior Executive Vice-President	Filipino	November 2010
Beauregard Grant L. Cheng	43	Director, Chief Financial Officer (CFO), and Executive Vice-President	Filipino	May 2019
Joanna Marie S. Bergundthal	37	Director, Senior Vice-President for Marketing, and Asst. Treasurer	Filipino	February 2017
Rufino Luis T. Manotok	74	Lead Independent Director	Filipino	February 2017

Ma. Aurora D. Geotina-Garcia	72	Independent Director	Filipino	February 2017
Atty. Ma. Jasmine S. Oporto	65	Independent Director	Filipino	August 2018
Stephen A. Tan	68	Non-Executive Director	Filipino	May 2019

The qualifications of the Directors, including their current and past positions held and business experiences, are set forth below:

Jose R. Soberano III, 69, Filipino, has been the Company's Chairman, CEO, and President since its incorporation in September 2003. He obtained a Bachelor of Arts degree in Economics from the Ateneo De Manila University in 1976 and completed the Strategic Business Economics Program at the University of Asia and Pacific in 2000. In 2015, he completed the Advanced Management Development Program in Real Estate from the Harvard University Graduate School. He previously worked for the Ayala Group of Companies for over 23 years, including various stints in Ayala Investment, Bank of the Philippine Islands, and in Ayala Land, Inc. where he was appointed Senior Division Manager in 1997. He was Vice-President of Cebu Holdings, Inc., the pioneer Ayala Land subsidiary in Cebu City when he resigned in 2000 from Ayala. He served as President of the Rotary Club of Cebu in 2011, and President of the Chamber of Real Estate Builders Association-Cebu (CREBA-Cebu) in 2010. Mr. Jose R. Soberano III has more than 20 years of experience in managing and heading companies engaged in real estate development.

Other present directorships:

In addition to his directorships and key positions held in joint ventures and other entities within the CLI Group, all non-publicly listed entities, Jose R. Soberano III also holds the following directorships and positions in the following non-publicly listed entities ("Non-PLC"). He does not hold directorships in other publicly-listed companies.

Name of Entity	Classification	Position
Center for Technology and Enterprise Inc.	Non-PLC	Chairman of the Board
Sri Visayan Foundation Inc.	Non-PLC	President
Cebu Country Club, Inc.	Non-PLC	President
Sugbu Chinese Heritage Museum Foundation Inc.	Non-PLC	Director and Treasurer
University of San Carlos	Non-PLC	Director and Trustee

Ma. Rosario B. Soberano, 66, Filipino, has served as the Director, Treasurer, and Executive Vice-President of the Company since September 2003. She received a Bachelor of Science major in Accountancy degree in 1979 and graduated summa cum laude from St. Theresa's College in Cebu.. She also obtained a Master's Degree in Business Administration from the University of the Philippines ("UP") - Cebu in 1983. She is a Certified Public Accountant and a licensed real estate broker duly registered with the Professional Regulations Commission and Department of Human Settlements and Urban Development.

Other present directorships:

In addition to her directorships and key positions held in joint ventures and other entities within the CLI Group, all non-publicly listed entities, Ma. Rosario B. Soberano does not hold directorships in other entities outside the CLI Group.

Jose Franco B. Soberano, 39, Filipino, has served as Director and COO since November 2010. He received a degree in Bachelor of Science in Management, major in Legal Management and minor in Finance, from the Ateneo de Manila University in 2007. In 2012, he obtained a Master's Degree in Real Estate Development from Columbia University in New York City. Prior to joining the Company, he was a Project Manager at Hewlett-Packard Asia Pacific (HK) Ltd.

Other present directorships:

In addition to his directorships and key positions held in joint ventures and other entities within the CLI Group, all non-publicly listed entities, Jose Franco B. Soberano also holds the following positions in other non-publicly listed entities ("Non-PLC"). He does not hold directorships in other publicly-listed companies.

Name of Entity	Classification	Position
Global Shapers - Cebu Hub (an initiative of the World Economic Forum)	Non-PLC	Founding Member
Sacred Heart School - Ateneo de Cebu Alumni Association	Non-PLC	President

Beauregard Grant L. Cheng, 43, Filipino, is the CFO and an Executive Director of CLI since May 2019. Before joining CLI, he was a Senior Deal Manager with a rank of Vice-President at BDO Capital & Investment Corporation. He led his project teams in managing various complex capital market transactions and advised companies in a broad array of industries on corporate restructuring and reorganization. Previously, he was a private banker based in Singapore handling accounts for high net worth individuals and institutions. He is a registered Chartered Financial Analyst ("CFA") Charter holder and is a member of the CFA Philippines Society. He earned his Bachelor of Science in Manufacturing Engineering and Management as a Star Scholar from De La Salle University Manila and graduated Magna Cum Laude. He was awarded as one of the Top Ten Outstanding Students of the Philippines by the Philippine President. He earned his Masters of Science in Wealth Management with distinction from Singapore Management University and Swiss Finance Institute in Zurich. He was awarded as the 2022 ING-FINEX CFO of the Year, becoming its youngest recipient and the first awardee from a non-conglomerate organization. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or officers of CLI.

Other present directorships:

In addition to his directorships and key positions held in joint ventures and other entities within the CLI Group, all non-publicly listed entities, Beauregard Grant L. Cheng does not hold directorships in other entities outside the CLI Group.

Joanna Marie S. Bergundthal, 37, Filipino, has served as Director of the Company since February 2017, and joined the Company as Vice-President and Marketing Director in July 2016. She earned from the University of Asia and the Pacific both her Bachelor and Master of Arts in Communication, Major in Integrated Marketing Communication in 2008 and 2009, respectively. She was Top 1 of her Batch 2008. Prior to joining the Company, she was a Marketing Manager of the Global Team of Nestle based in Switzerland from June 2014 to August 2015 and was Marketing Project Manager based in Thailand from August 2015 to June 2016. In October 2013 to May 2014, she worked as a Marketing Manager of Nestle Philippines.

Other present directorships:

In addition to her directorships and key positions held in joint ventures and other entities within the CLI Group, all non-publicly listed entities, Joanna Marie S. Bergundthal does not hold directorships in other entities outside the CLI Group.

Rufino Luis T. Manotok, 74, Filipino, joined as one of CLI's Independent Directors in February 2017. He finished the Advanced Management Program of Harvard Business School in 1994. He earned his Master of Business Management degree from the Asian Institute of Management in 1973, and Bachelor of Arts, major in Economics, from the Ateneo de Manila University in 1971. He was the Chairman and President of Ayala Automotive Holdings Corporation from 2009 to 2012. From 2007 to 2009, he was Ayala Corporation's Senior Managing Director, CFO, and Chief Information Officer. He was Managing Director, heading the Strategic Planning Group of Ayala Corporation from 1998 to 2006. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors of the Company.

Other present directorships:

Name of Entity	Classification	Position
Philippine Savings Bank	Publicly-listed	Independent Director
Manila Medical Services, Inc. (Manila Doctors Hospital)	Non-PLC	Independent Director
Manarsa Holdings, Inc.	Non-PLC	Chairman of the Board
Manotok Bros., Inc.	Non-PLC	Director

Ma. Aurora D. Geotina-Garcia, 72, Filipino, has been an Independent Director of CLI since February 2017. A Certified Public Accountant, she started her professional career at SGV & Co. (Ernst & Young Philippines), where she led the Firm's Global Corporate Finance Division. She is currently the Chairperson and President of Mageo Consulting Inc., a company providing business advisory and corporate finance consulting services. She is the Chairperson of the Shareholders' Association of the Philippines, and an immediate past Vice Chairperson of the Institute of Corporate Directors (ICD). She is the Founding Chairperson and President of the Philippine Women's Economic Network, Chairperson of the Governing Council of the Philippine Business Coalition for Women Empowerment, Chairperson of the NextGen Organization of Women Corporate Directors, and Chairperson of Samahan ng Pilipina para sa Reporma at Kaunlaran. She is the first female Chairperson of the Bases Conversion and Development Authority (BCDA) (2015 - 2016), and was a Director of BCDA subsidiaries and affiliates. Ms. Garcia received her Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines in 1973 and completed her Master of Business Administration from the same university in 1978. In 2012, she received the Distinguished Alumni Award from the University of the Philippines and was recognized as ASEAN Woman Entrepreneur at the ASEAN Business Awards in 2019. In March 2023, she received from the Philippines Board of Accountancy the Accountancy Centenary Award as one of 100 notable Certified Public Accountants in the country, in celebration of the Centenary of the Accounting Profession in the Philippines.

Other present directorships:

Name of Entity	Classification	Position
ENEX Energy Corp.	Publicly-listed	Lead Independent Director
Professional Services, Inc.	Non-PLC	Independent Director
Mageo Consulting Inc.	Non-PLC	Chairperson

Atty. Ma. Jasmine S. Oporto, 65, Filipino, joined the Board of Directors of CLI as an Independent Director in August 2018. She obtained her Juris Doctor (J.D.) degree from the UP College of Law, and Bachelor of Landscape Architecture (*cum laude*) from the same university. She is a member of both the Philippine and New York bar associations and placed No. 3 in the 1988 Philippine Bar Examinations. She also attended the Comparative International and American Law Program of the Center for American and International Law. She is an experienced Chief Legal Officer, Chief Compliance Officer, and Corporate Secretary and has worked in said capacities with publicly listed companies, including Aboitiz Equity Ventures, Inc. and Aboitiz Power Corporation. She is also a certified Compliance & Risk Management Professional with the GRC Institute of Australia. In her legal practice, she has intensive experience in working with a wide network of external and in-house legal counsels for labor, commercial litigation, securities law, power industry regulation, land, infrastructure capital, and general corporate law. She is not related within the fourth civil degree either by consanguinity or affinity to any of the directors of the Company.

Other present directorships:

Name of Entity	Classification	Position
Philippine National Oil Company	Non-PLC; GOCC	Director

Stephen A. Tan, 68, Filipino, has been a member of the CLI board as Non-Executive Director since May 2019. He is a Certified Public Accountant and a holder of an MBA, with distinction, from Katholieke Universiteit te Leuven in Belgium and a Bachelor of Science in Management Engineering from Ateneo de Manila University. He is also a Hubert H. Humphrey (Fulbright) Fellow in Agricultural Economics at the University of California, Davis. He earned his degree in Accounting from the University of San Carlos. Prior to retiring from CLI as CFO in May 2019, he served as CFO and Treasurer in various companies engaged in real estate development, construction, food, and shipbuilding, among others. For more than 30 years, he has been a part-time MBA professor in leading universities in Cebu City. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or officers of CLI.

Other present directorships:

Name of Entity	Classification	Position
CLI-LITE Panglao Inc.	Non-PLC	Independent Director
Sacred Heart School - Ateneo de Cebu	Non-PLC	Board of Trustee and Treasurer
Eluvo Healthcare Group, Inc.	Non-PLC	Director and CFO
ARQ Capital Finance, Inc.	Non-PLC	Independent Director

In compliance with the requirements of the SRC and SEC's CG Code for PLCs, the Board of Directors is composed of three (3) independent directors, who constitute one-third of CLI's board membership. CLI's independent directors are Mr. Rufino Luis T. Manotok, Ms. Ma. Aurora D. Geotina-Garcia, and Atty. Ma. Jasmine S. Oporto.

The CLI Board also re-elected Mr. Rufino Luis T. Manotok as its Lead Independent Director, who is a respected executive in the business community, having held several key positions in the largest conglomerates and companies in the Philippines (e.g., as Chairman and President; Senior Managing Director; CFO and CIO, et.al).

CLI's independent directors possess all the qualifications and none of the disqualifications to hold such positions. The independent directors do not hold interests or relationships that may hinder their independence from the company or its management, or which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Pursuant to CLI's CG Manual and policy on setting limit of Board seats, non-executive directors, including independent directors, can only concurrently serve up to a maximum of five (5) publicly-listed companies.

As of the calendar year ending 31 December 2024, all non-executive directors of CLI are compliant with the limit on board directorships. None of the CLI directors (executive or non-executive) holds directorships in 5 or more publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge management's proposals and views, and oversee the long-term strategy of CLI.

Executive Officers and Key Personnel

The following persons are the key executive officers and other officers¹ of CLI:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Citizenship</u>
Jose R. Soberano III	69	President and CEO	Filipino
Ma. Rosario B. Soberano	66	Treasurer and Executive Vice-President	Filipino
Jose Franco B. Soberano	39	COO and Senior Executive Vice-President	Filipino
Beauregard Grant L. Cheng	43	CFO and Senior Executive Vice-President	Filipino
Joanna Marie S. Bergundthal	37	Asst. Treasurer and Senior Vice-President for Marketing	Filipino
Janella Mae S. Wu	33	Asst. Vice-President for Corporate Communications and Customer Relations	Filipino
Atty. Larri-Nil G. Veloso	46	First Vice-President for Legal and Asst. Corporate Secretary	Filipino
Marie Rose C. Yulo	56	First Vice-President for Sales & Accounts Management	Filipino
Engr. Jose Rolando Dimatulac	58	Vice-President for Engineering	Filipino
Sylvan John M. Monzon	49	First Vice-President for Business Development	Filipino
Mark Leo M. Chang	46	Vice-President for Special Projects & External Affairs	Filipino
Atty. John Edmar G. Garde	36	Compliance Officer	Filipino
Clarissa Mae A. Cabalda	35	Investor Relations Officer	Filipino
Suzette Go	54	Data Protection Officer	Filipino

¹Officers identified in the latest General Information Sheet of CLI.

For the description of the business experience of and, as applicable, other directorships of Mr. Jose R. Soberano III, Ma. Rosario B. Soberano, Jose Franco B. Soberano, Beauregard Grant L. Cheng, and Joanna Marie B. Soberano-Bergundthal, please refer to the description set out under the section *“Members of the Board of Directors”*.

For the other key executive officers and other officers, please see below description.

Janella Mae S. Wu, 33, Filipino, joined the Company as Corporate Communications and Customer Relations Head in January 2020. She obtained her Bachelor of Arts in Integrated Marketing Communications degree from the University of Asia and the Pacific, Manila in 2013 and completed her Master of Science in Strategic Communications at Columbia University, New York in 2020. Prior to graduate school, she worked for the Company as Marketing Manager from 2017 to 2018 and United Laboratories (UNILAB) as Brand Manager from 2013 to 2017. She is the daughter of Jose R. Soberano III and Ma. Rosario Soberano.

Atty. Larri-Nil G. Veloso, 46, Filipino, is the First Vice-President for Legal and serves as the Company’s Assistant Corporate Secretary. An experienced practitioner in Corporate Law, he holds a Bachelor of Arts in Mass Communication from UP and earned his Bachelor of Laws from the University of Southern Philippines Foundation. While finishing law school, he worked for print and online newspapers, occupying various positions in progression from correspondent, staff reporter, copy editor, copywriter, junior editor, group editor, to managing editor. Prior to joining the Company, he was the Corporate Legal Counsel of InfoWeapons Corporation, an American-owned software company specializing in networking appliances, and later promoted as General Manager. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Marie Rose C. Yulo, 56, Filipino, is the Company’s First Vice-President for Sales. Prior to this, she was the Assistant Vice-President for both Sales and Marketing from March 2011 until August 2016 when the Company spun off its marketing unit as a separate department to provide focused attention to the equally challenging marketing and branding initiative of the Company. She also has significant experience in the areas of travel and tours, and banking. She completed her Bachelor of Science degree in Business Administration at the University of San Carlos and earned MBA units from the University of the Visayas. She is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Engr. Jose Rolando Dimatulac, 58, Filipino, is the Vice-President & Deputy Head of Engineering of the Company. He is a licensed engineer in the field of Civil Engineering. He joined our team last September 2024. Some of the established companies he had worked for were Robinsons Land Corporation/Robinson’s Homes. He finished his Bachelor of Science degree in Civil Engineering at University of Nueva Caceres in City of Naga, Camarines Sur. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Sylvan John M. Monzon, 49, Filipino, is the First Vice-President for Business Development. Prior to joining CLI, he held various positions in the real estate industry for more than 20 years such as Project Development Assistant Supervisor of Cebu Holdings, Inc., Assistant Chief Operating Officer of Ortigas and Company Limited Partnership, and as Head of Business Development of Ortigas and Company Holdings Inc. He graduated with a Bachelor of Science degree in Business Management from the University of Asia and the Pacific in Pasig City, Philippines. He also earned a Certificate in Business Economics from the same university. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Mark Leo M. Chang, 45, Filipino, is the Company’s Vice-President for External Affairs. He graduated with a degree in Bachelor of Laws (Juris Doctor) from the University of San Carlos (USC) School of Law, Cebu City in 2009 and Bachelor in Business Management from UP – Cebu in 1999. In 1998, he was awarded as one of The Outstanding Student Leaders of UP Cebu by the Junior Jaycees of UP Cebu Chapter. He previously worked as Senior Manager for External Affairs of Cebu Holdings, Inc., a subsidiary of Ayala Land, Inc. from February 2015 to July 2017 (including as Consultant) and as Senior Manager for Permits with Countryside Water Services under Filinvest Development Corporation from August 2017 to June 2018. He held the position of Presidential Staff Officer V functioning as Executive Assistant and Political Officer under the Office of the Presidential Political

Adviser Sec. Ronaldo M. Llamas of the Office of the President from April 2011 to December 2014. He also worked as an Intern (Researcher) at Sycip Salazar Hernandez Gatmaitan Law Office - Cebu Branch from September 2005 to March 2007. He used to be the National President of the Association of Law Students of the Philippines, a federation of law student councils in the country, for Academic Year (AY) 2008-2009 and President of USC Lex Circle (Law Student Council) for 2 terms in AY 2006-2008. He is one of the founders of Roco for President Youth Movement and Aksyon Kabataan, a youth arm of Aksyon Demokratiko, the political party of the late Sen. Raul S. Roco in 1998. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Atty. Alan C. Fontanosa, 62, Filipino, is the Corporate Secretary of CLI. He is a partner at the law firm, SyCip Salazar Hernandez & Gatmaitan ("SyCip"). He is also the partner in charge of SyCip's Cebu Office. He obtained his undergraduate and law degree from the University of San Carlos and was admitted to the Philippine Bar in 1988. He has extensive legal practice of over 33 years, including the areas of industrial relations and labor litigation, civil and land cases, corporate services and housekeeping, special projects, real estate transactions, sale/disposition of assets, and conducting/supervising due diligence investigation. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Atty. John Edmar G. Garde, 36, Filipino, is the Compliance Officer of CLI. Prior to joining CLI as Legal Counsel & Compliance Senior Manager, he served as Manager/Director in the Business Tax Services of SGV & Co. (Ernst & Young - Philippines) where he assisted domestic and multinational clients from various industries, including real estate, hospitality, business process outsourcing, manufacturing, semiconductor, export, and entities registered with Investment Promotion Agencies such as PEZA and BOI. His areas and fields of practice include taxation (tax advisory services; tax advocacy services; taxation law), investment promotions and incentives law, corporate law and services, and legal and corporate compliance. He graduated *cum laude* from the University of San Carlos with a degree in Bachelor of Science in Management Accounting. He also received his law degree from the same university. He is a Certified Compliance Officer, having garnered the highest rating and certificate of excellence during the 2021 Certification Course for Compliance Officers of the Center for Global Best Practices. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Clarissa Mae A. Cabalda, 35, Filipino, has been the Investor Relations Officer of CLI since April 2017 and currently serves as the role of Assistant Vice-President Corporate Finance. She is a Certified Public Accountant and a holder of Master of Arts in Economics. She obtained her undergraduate and Master's degree from the University of San Carlos. Prior to joining CLI, she previously worked at AboitizLand for 3 years in Corporate Finance. She has also extensive working experience in finance from reputable companies such as SM Prime Holdings, Inc. and KFC Philippines. She is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Suzette Go, 54, is the Data Protection Officer of CLI. Before joining CLI in November 2021, Ms. Go had experience as an Information Systems Manager, a Compliance Officer for Privacy, and an ISO Management Representative for the publicly listed company Cebu Holdings, Inc., which was a subsidiary of Ayala Land, Inc. At the beginning of her career, she was a Programmer for SM Multistores Corporation, the SM company handling the Department Stores business, and was a Junior Programmer for Philippine Nitto Systems, a Japanese software development company.

ITEM 10. EXECUTIVE COMPENSATION

The following table sets out the Company's President and CEO and the five most highly compensated senior officers:

Name	Position
Jose R. Soberano III	President and CEO
Ma. Rosario B. Soberano	Executive Vice-President and Treasurer
Jose Franco B. Soberano	Senior Executive Vice-President and COO
Beauregard Grant L. Cheng	CFO

Joanna Marie B. Soberano-Bergundthal	Senior Vice-President for Marketing

The following table identifies and summarizes the aggregate compensation of the Company's President & CEO and the five most highly compensated executive officers, and all other officers and directors as a group, for the period ended December 31, 2024, 2023, 2022, 2021, 2020, and 2019.

Position	Period Ended	Basic Compensation (in ₱)	Other Compensation (in ₱)
President and CEO and the four most highly compensated executive officers named above	2024	63,397,424.00	20,816,986.75
	2023	53,483,939.64	20,715,507.99
	2022	51,846,963.70	16,170,904.95
	2021	40,973,625.00	19,965,000.00
	2020	37,248,750.00	18,150,000.00
	2019	33,862,500.00	16,500,000.00
All officers and directors as a group excluding the President and four (4) most highly compensated executive officers	2024	70,022,156.34	20,633,770.21
	2023	68,942,167.35	19,157,807.00
	2022	27,578,355.39	10,607,059.77
	2021	25,071,232.18	9,642,781.61
	2020	22,792,029.26	8,766,165.10
	2019	20,720,026.60	7,969,241.00

EMPLOYMENT CONTRACTS OF EXECUTIVE OFFICERS

Each of the executive officers named above executed an employment contract with the Company and is entitled to receive retirement benefits in accordance with the terms and conditions of the Company's retirement plan.

The employment contracts contain the following details, terms and conditions:

- Rank
- Commencement date
- Office location and work hours
- Scope of work, duties and responsibilities
- Salary, remittances, and deductions
- Benefits – leaves, retirement plan, health plans, group insurance, de minimis benefits, loans, and Performance review
- Intellectual Property
- Code of Conduct
- Termination of Employment
- Others – non disclosure agreements, confidentiality, company policies

CLI also has a Savings Program Prior to Normal Retirement (“SPP”) which is incorporated in its Amended Retirement Plan. The SPP serves as the retirement plan for all CLI regular employees

who resign prior to the optional retirement age of 60 years old or the mandatory retirement age of 65 years old. The equivalent of 5% of the employee's basic salary is set aside by CLI every month while the employee remains in the employ of CLI. This benefit applies to executives under the same terms and conditions.

Upon resignation, the employee will be entitled to his or final balance as follows:

Vested Benefit %	Number of Continuous Service (from January 01, 2015)
0%	Less than 5 years
50%	5 years
60%	6 years
70%	7 years
80%	8 years
90%	9 years
100%	10 years and above

Given the above, a qualified CLI employee will be entitled to and avail either the 1) Normal Retirement benefits as mandated by law, or 2) the Vested Benefits under the SPP, whichever is higher.

No bonuses have been declared for the Board of Directors for the last two years. For the ensuing year, the amount of bonuses to be received by the members of the Board of Directors has yet to be approved by it.

Other than as indicated above, there is no other compensation to be received in case of termination of the above-named executive officer's employment with the Company or any of its Subsidiaries.

There is no plan or arrangement by which the executive officers will receive from the Company any form of compensation in case of a change in control of the Company or change in the officers' responsibilities following such change in control.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

- (a) Security Ownership of Record and Beneficial Owners of more than 5% of CLI as of December 31, 2024:

Title of Class	Name, Address of Record Ownership and Relationship with Issuer	Name of Beneficial Owner and Relation with Record Owner	Citizenship	No. of Common Shares	Percentage (of common shares)
Common Shares	AB Soberano, 2877 V. Rama Avenue Guadalupe Cebu City	Please see table below for the beneficial owners of this entity.	Filipino	2,288,870,095	63.17%
Common Shares	PCD Nominee Corporation (Filipino)	PCD NOMINEE CORP. (FILIPINO)	Filipino	1,227,648,539	33.88%
	G/F MSE Bldg. Ayala Ave. Makati City				

Beneficial Owners of AB Soberano as of December 31, 2024:

Name	Address	No. of Common Shares Held	% of Ownership
Jose R. Soberano III	2 nd St. Villa San Lorenzo, Quijada St., Guadalupe, Cebu City	4,320,000	48%
Ma, Rosario B. Soberano	2 nd St. Villa San Lorenzo, Quijada St., Guadalupe, Cebu City	4,320,000	48%
Jose Franco B. Soberano	2 nd St. Villa San Lorenzo, Quijada St., Guadalupe, Cebu City	90,000	1%
Joanna Marie S. Bergundthal	2 nd St. Villa San Lorenzo, Quijada St., Guadalupe, Cebu City	90,000	1%
Janella Mae B. Soberano- Wu	2 nd St. Villa San Lorenzo, Quijada St., Guadalupe, Cebu City	90,000	1%
Jose Gabriel B. Soberano	2 nd St. Villa San Lorenzo, Quijada St., Guadalupe, Cebu City	90,000	1%

- (b) Security Ownership of Directors and Management (Executive Officers) of CLI as of December 31, 2024:

Directors

Name of Beneficial Owner	Title of Class	Citizenship	Direct	Indirect	Total	Percentage to Total Common shares
Jose R. Soberano	Common	Filipino	168,980,480	1,101,767,567	1,270,748,047	36.67%
Ma. Rosario B. Soberano	Common	Filipino	132,127,500	1,101,767,567	1,233,895,067	35.61%
Jose Franco B. Soberano	Common	Filipino	20,330,241	22,953,491	43,283,732	1.25%
Joanna Marie B. SoberanoBergundthal	Common	Filipino	16,907,191	22,953,491	39,860,682	1.15%
Beauregard Grant L. Cheng	Common	Filipino	2,453,000	-	2,453,000	0.07%
Stephen A. Tan	Common	Filipino	11,150	-	11,150	0.00%
Ma. Jasmine S. Oporto	Common	Filipino	8,920	-	8,920	0.00%
Rufino Luis T. Manotok	Common	Filipino	2	161,500	161,502	0.00%
Ma. Aurora D. Geotina-Garcia	Common	Filipino	2	-	2	0.00%
Total			340,818,486	2,249,603,616	2,590,422,102	74.76%

Officers

Name of Beneficial Owner	Title of Class	Citizenship	Direct	Indirect	Total	Percentage to Total Common shares
Larri-Neil G. Veloso	Common	Filipino	103,000	-	103,000	0.00%
Total			103,000	-	103,000	0.00%

VOTING TRUST HOLDERS OF 5% OR MORE

As of the date of this report, the Company is not aware of any person holding more than 5% of shares under a voting trust or similar agreement.

CHANGE IN CONTROL

As of the date of this report, the Company is not aware of any arrangements that may result in a change in control of the Company. There are no existing provisions in the Company's articles of incorporation or its by-laws which will delay, defer, or in any manner prevent a change in control of the Company.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company and its subsidiaries (the “Group”), in their regular conduct of business, have entered into transactions with associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, construction contracts, and development, management, marketing, leasing and administrative service agreements. Sales and purchases of goods and services to and from related parties are made on an arm’s length basis and at current market prices at the time of the transactions.

These transactions are governed and monitored under a board-approved related party transaction policy (“RPT Policy”) that enforces proper disclosure, approval protocols, and tests of arm’s length standards. CLI employees are also required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are surfaced and brought to the attention of management.

Declaration on RPTs

In keeping with CLI’s RPT Policy and Transfer Pricing Policy, the Company declares that all its related party transactions (RPTs) in 2024 were conducted in a fair and at arm’s length basis and on terms not more favorable than those made to unrelated third parties under similar circumstances.

Pursuant to CLI’s RPT Policy, related party transactions involving an amount of at least Php 50,000,000.00 or its equivalent are submitted to the RPT Committee for review and pre-approval. CLI’s RPT Committee is tasked to review and ensure that these RPTs are conducted at arms’ length basis and on terms not more favorable than those made to unrelated third parties under similar circumstances, and in all cases comply with the provisions under its Transfer Pricing Policy. RPTs approved by the RPT Committee were then endorsed to the CLI Board for subsequent approval and/or ratification.

All RPTs breaching the Php 50Mn threshold have been approved by the RPT Committee and CLI Board, and as supported by its respective minutes of meetings and committee/board resolutions. For CY2024, these included the approval of shareholder advances to related party joint venture entities and procurement of contracted services from other related parties. There were no RPTs that breached the 10% Material RPT threshold of the SEC for CY2024.

The amounts of the RPTs and the discussions of the business purposes of the arrangement, identification of the related parties transaction business with CLI and the nature of their relationship, how transaction prices were determined by the parties, and any ongoing contractual or other commitments as a result of the arrangement, are also discussed and disclosed accordingly in CLI’s FY2024 Audited Financial Statements.

PART IV - CORPORATE GOVERNANCE

ITEM 13. CORPORATE GOVERNANCE

Compliance Policy and Evaluation System

In accordance with the State's policy to actively promote corporate governance reforms aimed to raise investor confidence, develop capital market and help achieve high sustained growth for the corporate sector and the economy, the Board of Directors, Management, and Employees of CLI commit to the principles and best practices contained in its Amended Manual on Corporate Governance (the "Manual"), a copy of which had been duly filed and submitted with the SEC in compliance with regulatory requirements.

The evaluation system established by the Company in measuring and determining the level of compliance with its Manual includes the conduct of annual board and committee assessments. In adherence with its Manual and Board Charter, the Board conducted its annual performance evaluation and assessment which includes a review and rating of the performance of the Board, individual directors, board committees, and the management team led by the CEO. In coordination with CLI's I.T. Department, the Office of the Compliance Officer rolled out the digitalized performance evaluation and assessment forms, for accomplishment by the required respondents. CLI's evaluation and assessment utilized a 5-point scale rating system, with zero (0) being the lowest (representing "Strongly Disagree" as a response to the statement), and the highest being five (5) (representing "Strongly Agree"). The duly accomplished assessment forms were then tabulated, validated, and confirmed by a third-party service provider, i.e., Sta. Ana Rivera & Co., in adherence with recommended corporate governance best practice. A summary of the results of the assessments, including the various performance ratings and comments of directors and committee members, were presented and discussed during the respective Corporate Governance Committee and Board meetings.

Measures Undertaken to Comply with Leading Practices on Good Corporate Governance

CLI continues to undertake measures to comply with the adopted leading practices on good corporate governance. The Board of Directors and management team of CLI have promoted and implemented various principles and recommendations under SEC Memorandum Circular No. 19, series of 2016 (otherwise, the Code of Corporate Governance for Publicly-Listed Companies), PSE CG Guidelines, as well as recommended practices under the ASEAN Corporate Governance Scorecard. In case of non-compliance with the recommended principles and best practices, CLI identifies and elucidates on the same, and provides explanation as to how the overall principles being recommended are still attained by the Company. These are all reported by CLI through its comprehensive Integrated Annual Corporate Governance Reports (I-ACGRs) which are submitted to the SEC, uploaded to PSE EDGE, and posted in CLI's website. CLI's improved and enhanced IACGRs continue to provide a clear and succinct picture of its compliances with the recommended principles and best practices in corporate governance, at par, if not exceeding industry standards.

Over the years, CLI has exerted conscious and considerable efforts in enhancing and improving its corporate governance and compliance reporting and disclosures. Primary of which is CLI's I-ACGRs. The improvement of the disclosures in CLI's I-ACGRs was cited by ICD as among the key factors in the improved corporate governance rating of CLI over the past couple of years, culminating in the conferment of the Company's first-ever Golden Arrows in 2023. In addition to the revamped I-ACGRs, CLI has also made conscious and concerted efforts to ensure that the corporate governance disclosures in its structured and unstructured reports, including its Annual Reports, are aligned with the recommended best practices of SEC, ICD, and ACGS standards.

In 2021, CLI established and fully implemented its Enterprise Risk Management (ERM) Framework. CLI's ERM Framework is based on ISO 31000:2018, which aims to provide a foundation for effective planning, implementation, monitoring, review, and continued improvement of the organization's risk management. It establishes a methodology for the identification, assessment, and management of

risk, responsibilities for risk management, accountabilities for good governance, and mechanisms to report risk-related information.

In 2022, CLI published its first-ever integrated sustainability report in accordance with globally accepted systems and standards for sustainability and corporate disclosure. CLI cross-referenced general and material disclosure topics on the most widely adopted Global Reporting Initiative standards (GRI Standards), the Sustainability Accounting Standards Board (SASB) and the International Integrated Reporting Council (IIRC). CLI's Sustainability Framework interconnects all the aspects of the Company's operations and provides a snapshot of its EESG profile. It defines the Company's sustainability vision and strategy, goals and objectives, and their alignment and contribution to the UN Sustainable Development Goals (SDGs).

As of the date of this report, CLI believes that it remains to be substantially in compliance with and has no material deviations from its Manual and as such, no sanctions were imposed on any director, officer or employee on account of non-compliance with the same.

Continued improvement of CLI's Corporate Governance

Recognizing and understanding that good corporate governance is essential to sound strategic business management and sustainable growth and development, CLI fully commits and undertakes to continue to bolster and enhance its corporate governance, not only through its continued and consistent compliance with laws, rules, regulations, and corporate best practices, but also by improving and strengthening CLI's internal controls, risk management, investor and other stakeholder relations, checks and balances, and policies and procedures.

In recognition of its continued efforts and improvements in the area of corporate governance, CLI received a 2-Golden Arrow Recognition for the 2nd consecutive year last September 19, 2024, conferred by the ICD to top Philippine publicly listed companies and insurance companies in corporate governance, based on the 2023 ACGS and Corporate Governance Scorecard ("CGS") Assessment Results, respectively.

Independent Directors

In compliance with the requirements of the SRC and SEC's CG Code for PLCs, the Board of Directors is composed of three (3) independent directors, who constitute one-third of CLI's board membership. CLI's independent directors are Mr. Rufino Luis T. Manotok, Ms. Ma. Aurora D. Geotina-Garcia, and Atty. Ma. Jasmine S. Oporto.

The CLI Board also re-elected Mr. Rufino Luis T. Manotok as its Lead Independent Director, who is a respected executive in the business community, having held several key positions in the largest conglomerates and companies in the Philippines (e.g., as Chairman and President; Senior Managing Director; CFO and CIO, et.al).

CLI's independent directors possess all the qualifications and none of the disqualifications to hold such positions. The independent directors do not hold interests or relationships that may hinder their independence from the company or its management, or which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Pursuant to CLI's CG Manual and policy on setting a limit of Board seats, non-executive directors, including independent directors, can only concurrently serve up to a maximum of five (5) publicly-listed companies. As of the calendar year ending 31 December 2024, all non-executive directors of CLI are compliant with the limit on board directorships. None of the CLI directors (executive or non-executive) holds directorships in 5 or more publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge management's proposals, and views, and oversee the long-term strategy of CLI.

Board Diversity – policy and progress report

To avoid groupthink and ensure that optimal decision-making is achieved, CLI observes a board diversity policy. CLI's board diversity encourages the selection of an appropriate mix of competent directors, each of whom can add value and independent judgment in the formulation of sound

corporate strategies and policy. Diversity includes skills, experience, expertise, age, gender, ethnicity, culture, competence, and knowledge. CLI's Board Diversity Policy is incorporated and embedded in its Manual on Corporate Governance and Board Charter.

As of this publication, the CLI Board comprises nine (9) individuals with diverse skills, cultures, ethnicities, competencies, knowledge, and professional, business, and educational backgrounds. It is also composed of highly respected top executives and seasoned real estate professionals with diverse experience and expertise in the fields of economics, accounting, finance, management, business administration, communications, manufacturing and management engineering, agricultural economics, law, and landscape architecture, among other academic disciplines and fields of endeavor.

The CLI Board has an optimal mix of youth and experience with ages ranging from 37 to 74. Four (4) of the 9 directors are female.

Corporate Governance Training

CLI provides in its Board Charter and Manual on Corporate Governance a policy on training for directors. All first-time directors are required to attend and complete CLI's orientation program, while all other directors are required to attend annual corporate governance training. In compliance with best practices, CLI requires directors to meet minimum hours of corporate governance seminars conducted by SEC-accredited institutional providers, i.e., at least eight (8) hours for first-time directors, and four (4) hours per annum for the annual continuing training of all other directors. The Compliance Officer monitors the directors' compliance with this training policy.

For CY2024, all members of the CLI Board attended the requisite training and seminars and were accordingly certified as compliant by the Compliance Officer (*see summary table for the listing of the CY2024 corporate governance training attended by CLI directors and key officers*).

Executive and Board Remuneration

In compliance with CLI's Manual on Corporate Governance, the Board aligns the remuneration of key officers and Board members with the long-term interests of CLI. The Board adopts a policy specifying the relationship between remuneration and performance. Directors do not participate in discussions or deliberations involving his/her own remuneration.

CLI grants remuneration to its executive directors and senior executives based on performance, i.e., individual performance, and collective performance of their respective groups / departments, which are pursuant to identified key deliverables and other performance indicators aligned with its long-term interest and objectives. This is aided by CLI's Balanced Scorecard which serves as a measurement tool for alignment of the grant of rewards and compensation that accounts for the performance of the company beyond short-term financial measures.

The remuneration of Board members and key officers is overseen by the Compensation and Benefits Committee.

Conflict of Interest

In compliance with the provisions of CLI's Manual on Corporate Governance and Board Charter, directors with material interest in a transaction affecting the company and in other conflict of interest situations (actual or potential) are required to fully and immediately disclose the same and are mandated to abstain from taking part in its deliberations.

It is a fundamental principle in CLI that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interest. He is mandated to avoid situations that may compromise his impartiality. For CY2024, there was no transaction where a CLI director had a material interest affecting the company and/or otherwise any conflict of interest (actual or potential).

CLI directors are also mandated to notify the Board before accepting a directorship in another company. CLI does not have any executive director who serves more than two boards of listed companies outside the CLI Group.

Meanwhile, CLI discloses RPTs and other unusual or infrequently occurring transactions consistent with its RPT Policy that sets out the guidelines, categories, and thresholds governing the review, approval, or ratification of RPTs by the Board and/or CLI shareholders and ensure that these RPTs are duly accounted for and disclosed in accordance with relevant laws and regulations.

Disclosure and Transparency

The CLI Board has existing corporate disclosure policies and procedures in accordance with best practices and regulatory expectations.

All material information about CLI that could adversely affect its viability or the interests of its stockholders and other stakeholders are publicly and timely disclosed. Such information includes, among others, earnings results, acquisition or disposition of material assets, off balance sheet transactions, related-party transactions, and direct and indirect remuneration of members of the Board and Management. All such information are disclosed through CLI's PSE EDGE link/portal and/or submitted to the SEC.

The Board is committed at all times to fully disclose material information such as any dealings in CLI's shares and any material fact or event that occurs, particularly on the acquisition or disposal of significant assets, as well as material nonfinancial and sustainability issues. All required information are filed and submitted through CLI's PSE EDGE portal and/or submitted to the SEC for the interest of its stockholders and other stakeholders.

CLI maintains a comprehensive and cost-efficient communication channel for disseminating relevant information. This includes the conduct of briefings for investors, analysts, and media by teleconference and/or videoconference or through actual face-to-face meetings. CLI regularly engages the media through press conferences, briefings, news releases, tours, and social events. CLI's CEO, COO, CFO, and/or other senior managers conduct meetings with institutional investors and analysts through pre-arranged seminars or conferences. CLI conducts regular investors, analysts and media tours to show the progress of its properties. CLI publishes regular e-newsletters to update analysts on its progress and performance. Annual, quarterly, and current reporting are uploaded to CLI's website and its PSE EDGE portal.

The following is a summary list of CLI's analyst and media briefings conducted in 2024:

Description	Date
Coffee Talk Fridays: Cebu Landmasters, Inc. (by PNB)	23 February 2024
PSE Panel Discussion	28 February 2024
PICPA talk	12 March 2024
FY2023 Investors' and Analysts' Briefing	20 March 2024
ANC Interview - Market Edge	02 April 2024
Q1 2024 Investors' and Analysts' Briefing	10 May 2024
H1 2024 Investors' and Analysts' Briefing	13 August 2024
PSE PHILSTAR Event	15 August 2024
Security Bank & Sycip Gorres Velayo (SGV) & Co., Business Forum	16 August 2024
Economic Briefing By BPI	03 September 2024
8th Ayala-FINEX Finance Summit	18 September 2024
9M 2024 CLI Investors & Analysts Briefing	12 November 2024
PSE Star Investor Day (via recording)	19 November 2024

CLI discloses in this annual report (SEC Form 17-A) the ownership interests of its controlling shareholders and degree of ownership concentration. The CLI Group's map, detailing the crossholdings among company affiliates and showing the relationship between CLI and its related entities, is included as an attachment in the "Report of Independent Auditors to Accompany Supplemental Information Required by the SEC filed separately from the basic Consolidated Financial Statements". The aforementioned Report, including the CLI Group's map, are attached to this Annual Report (SEC Form 17-A). There are no imbalances between the controlling shareholders'

voting power and overall equity position in CLI. Each holder of CLI shares is entitled to one (1) vote for every share in accordance with Section 7, Article III of CLI's By-laws, as amended.

CLI discloses the trading of its shares by directors, key officers, and controlling shareholders. CLI also discloses the shareholdings of directors, management, and Top 100 shareholders. CLI also discloses purchase of its shares from the market pursuant to its share buy-back program.

For CLI investor relations / communications and compliance, the following officers may be contacted:

B. Grant L. Cheng
Chief Financial Officer
grant_cheng@cebulandmasters.com

Emerito M. Purisima
AVP - Investor Relations
empurisima@cebulandmasters.com

Atty. John Edmar G. Garde
Compliance Officer
jggarde@cebulandmasters.com

Internal Control System and Internal Audit functions

Through its Internal Audit (IA) Department, CLI maintains a "Quality Assurance and Improvement Program" that covers all aspects of the IA Department. The program includes an evaluation of the IA Department's conformance with the standards and an evaluation of whether internal auditors apply the Institute of Internal Auditors' (IIA) Code of Ethics. The program also assesses the efficiency and effectiveness of the IA Department and identify opportunities for improvement.

The Audit Committee, through the IA Department, regularly reviews and evaluates the adequacy and effectiveness of CLI's internal control system.

For CY2024, CLI's Head of the Internal Audit Department is the *ex officio* Chief Audit Executive in the person of Marjorie Jane C. Sistual. She has more than fifteen (15) years of internal audit experience. She previously worked in Waterfront Cebu City Hotel & Casino with 5 chain of hotels in various parts of the Philippines, wherein she headed the Corporate Internal Audit Department (CIAD) and focused on fraud and compliance audit. She also joined Moore Stephens Ltd in Singapore for more than ten (10) years where she was involved in internal audit, consultancy, risk management and SOX engagements. She has experience in a wide range of industries including hotels, shipping, oil & gas, real estate, engineering, semiconductor, manufacturing, insurance, logistics, hospitals, non-profit organization, plantations & mill, trading & distribution and retailing. Prior to CLI, she worked in Agusan Plantations, Inc. and was involved in the internal audit of the 4 operating units of palm oil plantations and mills, mainly for exporting of palm kernel oil and crude palm oil products.

The responsibilities of the Chief Audit Executive or the Internal Audit (IA) Head are contained and stipulated in the IA Charter. The appointment and/or removal of the IA Head require approval of CLI's Audit Committee.

The CLI Board regularly conducts review of its material controls, including operational, financial, and compliance controls; and risk management systems. The CLI Board and its Audit Committee affirm that the company has adequate internal control and risk management systems.

Whistle-blowing Policy

In keeping with CLI's corporate values and thrust to uphold the highest level of integrity and ethical standards, and to encourage a culture of openness and accountability without fear of reprisals, the Company has put in place its policy on whistle-blowing ("CLI Whistle-Blowing Policy" or the "Policy").

CLI's Whistle-Blowing Policy provides clear procedures for the reporting of matters involving actual or suspected misconduct, malpractice, unlawful acts or omissions, and violations of company policies, with the goal of ensuring that the whistleblower is insulated from any form of retaliation. The

Policy serves to strengthen the internal feedback mechanism of CLI, and ensures that concerns are going to be investigated appropriately and judiciously.

The coverage of CLI's Whistle-Blowing Policy applies to all CLI employees, regardless of rank and status, members of the Board of Directors and its various committees, suppliers, contractors, customers, and all other stakeholders, and grants them direct access to a unit created to spearhead the implementation of the Policy, i.e., CLI's Whistle-blowing Committee.

CLI's Whistle-blowing Committee is composed of the CEO and the highest-ranking officers from HR, Legal, Internal Audit, and Risk Management.

To ensure confidentiality and provide an avenue for anonymous reporting, CLI created an online form ("Whistle-blower Reporting Form") where all stakeholders can lodge their complaints.

The online "Whistle-blower Reporting Form" can be accessed and accomplished through the link below:

<https://tinurl.com/cliwhistleblowerforms>

All disclosures and reports made through the above online form shall remain confidential and can only be viewed by the CLI's Whistle-blowing Committee. The Committee ensures that the identity of the whistleblower remains confidential unless it is absolutely necessary to disclose his/her identity to law enforcement or state authorities. In all other instances, the disclosure of the whistleblower's identity must be with his/her consent.

CLI's Whistle-blowing Committee shall determine the sufficiency of the complaint and issues involved. The Whistle-blowing Committee shall conduct an initial assessment before endorsing it to the departments concerned for appropriate action. In any case, the Whistle-blowing Committee shall ensure that all reports or cases are attended to, documented, and monitored properly. Findings, recommendations, and final disposition of cases shall be reported either to: (a) the CLI Board of Directors- if it involves an executive with a rank of Vice President and up, CEO, COO, CFO, or (b) CLI Top Management- if it involves person(s) holding any other rank.

CLI's Whistle-Blowing Policy also stipulates a provision on Protection from Retaliation. Pursuant thereto, CLI shall ensure the protection of all whistleblowers from retaliation or retribution, including any forms of discrimination, harassment, intimidation, or adverse personnel action by directors, executives, supervisors, or employees. Anyone who retaliates against a whistleblower who reports an event in good faith is subjected to appropriate disciplinary action. Members of the Whistle-blowing Committee who are subject of the whistle-blowing complaints are mandated to inhibit from its proceedings, in which case their replacements shall be appointed either by the CLI Board or Top Management, depending on who is involved in the complaint.

Compliance Officer

CLI has a formal compliance function in place. This is subject to regular review and evaluation as spearheaded by a Compliance Officer.

CLI, through its Compliance Officer, monitors, reviews, evaluates, and ensures the compliance by its officers and directors with relevant laws, the pertinent Corporate Governance Codes, rules and regulations, and all governance issuances of regulatory agencies. The compliance function also ensures the attendance of Board members and key officers in relevant training.

As part of its compliance program, CLI, through its Compliance Officer, has in place a detailed checklist and monitoring of compliance and regulatory requirements based on existing laws, government issuances including the Code of Corporate Governance for PLCs, and pertinent rules and regulations of the various government agencies. The compliance checklist is subject to regular review and updating by the Office of the Compliance Officer. The CLI Compliance Officer also presents and reports to the Board Corporate Governance Committee updates on CLI's corporate governance and compliance functions, including the various compliance and submission requirements to the various government agencies which are applicable during the reporting period. The Compliance Officer also assists the Board and the Corporate Governance Committee in

dispensing its overall compliance function, including the drafting and review of corporate governance policies.

During its organizational meeting held on 04 June 2024, the Board re-elected Atty. John Edmar G. Garde, CCO as CLI's Compliance Officer. In keeping with SEC Memorandum Circular No. 19, series of 2016 and pertinent issuances, Atty. Garde is not a member of the Board and is different from the Corporate Secretary. He is primarily liable to the company and its shareholders and not to its Chairman or President. For the description of the educational and professional background of Atty. John Edmar G. Garde, please refer to the discussion set out under the section "Executive Officers and Key Personnel".

Corporate Secretary

The CLI Board is assisted by a Corporate Secretary and an Assistant Corporate Secretary, who are both separate individuals from the Compliance Officer. The Corporate Secretary and Assistant Corporate Secretary are not members of the CLI Board. Materials for Board and Committee meetings are distributed by the Secretariat to the directors and respective committee members prior to the meeting date. CLI uses the Diligent Board books, which allows each director and committee member to access and review the meeting materials online through a secure portal.

During its organizational meeting on 04 June 2024, the Board re-elected Atty. Alan C. Fontanosa as CLI's Corporate Secretary. Due to personal reasons, particularly for workload management purposes, Atty. Fontanosa resigned from his position effective December 31, 2024.

In the interim, and pending the election of a new Corporate Secretary during CLI's upcoming FY2025 Annual Stockholders' Meeting and Organizational Board Meeting, the CLI Board is being assisted by its Assistant Corporate Secretary, Atty. Larri-Nil G. Veloso. For the description of the educational and professional background of Atty. Larri-Nil G. Veloso, please refer to the discussion set out under the section "Executive Officers and Key Personnel".

CLI's Corporate Secretary and Asst. Corporate Secretary both attended corporate governance training during CY2024.

Annual performance evaluation

In adherence with its Manual on Corporate Governance and Board Charter, the Board conducted its annual performance evaluation and assessment which includes a review and rating of the performance of the Board, individual directors, board committees, and the management team led by the CEO.

In coordination with CLI's I.T. Department, the Compliance Officer rolled-out the digitalized performance evaluation and assessment forms, for accomplishment by the required respondents. CLI's evaluation and assessment utilized a 5-point scale rating system, with zero (0) being the lowest (representing "Strongly Disagree" as a response to the statement), and the highest being 5 (representing "Strongly Agree").

A. For the performance assessment and evaluation of the CLI Board

The Board conducted a self-assessment of its performance as a collegial body, and which was participated by all of its members. In evaluating the CLI Board's performance, the following criteria and factors based on the provisions of the CG Code, CLI's Manual on Corporate Governance and Board Charter were considered, among others:

- Role of board and members- clarity of roles, responsibilities, and accountabilities; compliance with disclosure of directorships; conduct of separate periodic meetings of NEDs;
- Performance of the CLI Board- oversee the development of CLI's business and strategy, and monitors its implementation; establishment of board committees and board charters; conduct of annual assessment and performance evaluation; adoption of effective succession planning program;
- Agenda and Minutes- timeliness of the distribution; clarity and sufficiency of information; whether supporting documents are well-organized; accuracy, clarity, and sufficiency of minutes;

- Conduct of meetings- evaluation on whether the Chairperson conducted meetings effectively and efficiently; frequency of meetings; conduct of meetings with quorum; conduciveness of meetings to open and productive discussion of issues;
- Board composition- whether board is still composed of directors with collective working knowledge, experience, or expertise relevant to CLI's industry / sector; sufficiency on number of independent directors; compliance with number of concurrent directorships; presence and qualifications of Lead Independent Director; presence and qualifications of Corporate Secretary and Compliance Officer; and
- Observations and suggestions for improvements.

B. For the performance assessment and evaluation of the individual CLI Directors

The members of the CLI Board conducted a self-assessment of their individual performance. In evaluating their individual performance, the following criteria and factors were considered based on their specific duties and responsibilities provided in the CLI Board Charter and CG Code:

- Duty of Care and Exercise of Integrity- acted on a fully informed basis, in good faith, with due diligence and care; exercise of leadership, prudence, and integrity in directing CLI towards sustained progress;
- Duty of Loyalty and Accountability- acted in the best interest of CLI and all CLI stakeholders, characterized by transparency, accountability, and fairness;
- Fostering Commitment- devotion of time and attention to properly and effectively perform his/her duties and responsibilities, including the attendance and active participation in all meetings, whether in-person or through tele-/video-conferencing;
- Objective and Independent Judgment- exercise of objective and independent judgment on all corporate affairs; abstention in case of conflict of interest;
- Acting judiciously- careful evaluation of issues before rendering decision, and application of high ethical standards taking into account interest of stakeholders;
- Working knowledge- working knowledge of statutory and regulatory requirements relevant to CLI; keeping abreast with industry developments and business trends;
- Observance of confidentiality- keeping secure and confidential all non-public information; non-revealing of confidential information to unauthorized persons;
- Continuing qualification as CLI Director- possession of all the qualifications and none of the disqualifications; and
- Observations and suggestions for improvement of individual performance.

C. For the performance assessment and evaluation of the Board Committees

The Board Committees conducted a self-assessment of their performance, and was participated by all members of the respective committees. In evaluating the Board Committee's performance, the following criteria and factors were considered based on the provisions of the respective Committee Charters and CG Code:

- Role of Committee and Members- clarity of roles; operation in accordance with respective Charters and Manual on Corporate Governance;
- Performance of Committee- evaluation and assessment of each role and responsibility of the respective committees;
- Committee Agenda and Minutes- timeliness of the distribution; clarity and sufficiency of information; whether supporting documents are well-organized; accuracy, clarity, and sufficiency of minutes;
- Conduct of Meetings- evaluation on whether the Chairperson conducted meetings effectively and efficiently; frequency of meetings; conduct of meetings with quorum; conduciveness of meetings to open and productive discussion of issues;
- Committee Composition- right mix of skills, experience, and value-added attributes; working relationship between Chairperson and members; and
- Observations and suggestions for improvement of committee performance

D. For the performance assessment and evaluation of the CEO

The Board conducted an assessment of the performance of the CEO, as the leader of the management team. In evaluating the CLI CEO's performance, the following criteria and factors were considered based on the provisions of the CG Code and CLI's Manual on Corporate Governance:

- Determination of CLI's strategic direction and formulation and implementation of its strategic plans;
- Communication and implementation of CLI's vision, mission, values, and overall strategies;
- Oversees the operations of CLI and manages human and financial resources in accordance with strategic plan;
- Builds the corporate culture and motivates the employees of CLI; and
- Observations and suggestions for improvement of CEO's performance.

The duly accomplished assessment forms were then tabulated, validated, and confirmed by a third party service provider, i.e. Sta. Ana Rivera & Co. Thereafter, the results were submitted to the Office of the Compliance Officer. A summary of the results of the assessments, including the various performance ratings and comments of directors and committee members, were presented and discussed during the respective Corporate Governance Committee and Board meetings.

Resolving Stockholders' Disputes

It is the policy of CLI to resolve disputes or differences with stockholders, if and when such disputes or differences arise, through mutual consultation or negotiation, mediation, or arbitration.

Stockholders who have matters for discussion or concerns directly resulting in the business of the Company may initially elevate such matters or concerns to: (a) the Corporate Secretary; (b) the Investor Relations Officer; (c) Management; or (d) the Board.

Committees of the Board

The CLI Board has fully engaged and functioning board committees which support the effective performance of the Board's functions. CLI's principal board committees include the Audit Committee, Corporate Governance Committee, Related Party Transaction Committee, Risk Oversight Committee, Nomination Committee, and the Compensation and Benefits Committee. All established CLI Committees have their respective committee charters, which state in plain terms their respective purposes, memberships, structures, operations, reporting process, resources, and other relevant information. A brief description of the functions and responsibilities of the key committees are set out below:

A. Audit Committee

The Audit Committee assists the Board in the performance and fulfillment of its oversight responsibility over CLI's financial reporting process, system of internal control, internal and external audit processes, and monitoring of compliance with applicable laws, rules, and regulations. The Audit Committee has oversight over the internal audit team's work and is primarily responsible in recommending the appointment and removal of CLI's external auditor using a robust process for approving and recommending its appointment, reappointment, removal, and fees. The process includes the review and recommendation by the Audit Committee, review and approval of the CLI Board, and further approval and ratification by the CLI shareholders. The Audit Committee also reviews the performance of the external auditor. Pursuant to CLI's Manual on Corporate Governance, the external auditor shall be rotated or changed or the signing partner of the external auditing firm assigned to CLI should be rotated or changed every five (5) years.

In compliance thereto, and commencing with the current audit of its FY2023 financial statements (as well as the current FY2024 financial statements), the external auditor, Punongbayan & Araullo (P&A), assigned a new engagement and signing partner in the person of Renan A. Piamonte (CPA Reg. No. 0107805). Prior thereto, and for CLI's FY2021 and FY2022 financial statements, P&A's engagement and signing partner was Mailene Sigue-Bisnar.

The Audit Committee also evaluates and determines the non-audit work, if any, of the external auditor. It approves all non-audit services conducted by the external auditor and disallows the same if it will conflict with its duties as external auditor or will otherwise pose a threat to its independence.

In 2024, CLI incurred ₱5,820,000.00 of Audit and Other fees. The amount includes fees for the special audit of the financial statements for the nine-month period ending September 30, 2024 for review of the financial statements in relation to the Company's Sustainability-Linked Bond Offering.

The following is the summary breakdown of the audit and non-audit fees paid to P&A for FY2024 (exclusive of the 12% VAT):

• Audit and Audit Related Fees	Php 2,640,000.00
• Non-audit fees	3,180,000.00
TOTAL fees paid to P&A (FY2024)	Php 5,820,000.00

For the 2024-2025 term, CLI's Audit Committee is composed of four (4) qualified non-executive directors, three (3) of whom, including the Chairperson, are independent directors. All the members of the Audit Committee have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing, and finance. Ma. Aurora D. Geotina-Garcia, the Chairperson of the CLI Audit Committee, is not the Chairman / Chairperson of the CLI Board or of any other committee.

The Audit Committee shall perform the following functions, among others:

1. Assists the Board in the performance of its oversight responsibility over CLI's financial reporting process, system of internal control, internal and external audit process, and monitoring of compliance with applicable laws, rules and regulations.
2. Recommends the approval of CLI's Internal Audit Charter ("IA Charter"), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter, as may be amended from time to time;
3. Through the Internal Audit ("IA") Department, monitors and evaluates the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets.
4. Oversees CLI's IA Department, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Officer. The Audit Committee shall approve the terms and conditions for outsourcing internal audit services, if deemed necessary;
5. Establishes and identifies the reporting line of the internal auditors and IA Department to enable them to properly fulfill their duties and responsibilities. For this purpose, the internal auditors and IA Department directly report to the Audit Committee;
6. Reviews and monitors management's responsiveness to the internal auditors' findings and recommendations;
7. Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
8. Evaluates and determines the non-audit work, if any, of the external auditor, and periodically reviews the non-audit fees paid to the external auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence.
9. Reviews and approves the interim and annual financial statements before their submission to the Board.
10. Reviews the disposition of the recommendations in the external auditor's management letter;
11. Performs oversight functions over the Company's internal and external auditors. It ensures the independence of internal and external auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions, taking into consideration relevant Philippine professional and regulatory requirements;

12. Coordinates, monitors and facilitates compliance with laws, rules and regulations; and

13. Recommends to the Board the appointment, reappointment, removal and fees of the external auditor, duly accredited by the SEC, who undertakes an independent audit of the Company, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

B. Corporate Governance Committee

The fully engaged CLI Corporate Governance Committee assists the Board in performing its corporate governance oversight responsibilities and ensuring compliance with and proper observance of corporate governance principles and practices.

For the 2024-2025 term, the CG Committee is composed of four (4) non-executive directors, three of whom are independent directors. The Chairperson, Atty. Ma. Jasmine S. Oporto is also an independent director.

In the area of sustainability, the Corporate Governance Committee is supported by its Sustainability Head, Vera R. Alejandria. Prior to joining CLI, Ms. Alejandria held various positions in Cebu Holdings, Inc. and Ayala Land, Inc. spanning over 27 years, including as Sustainability and Community Relations Manager, Project Lead (Cebu Business District Action Team), Corporate Communication and Customer Affairs Division Manager, and Quality, Environment, Health and Safety Management System Auditor. Ms. Alejandria is a Certified Sustainability Reporting Specialist and Certified Sustainability Assurance Practitioner.

The Corporate Governance Committee shall perform the following functions, among others:

1. Overseeing the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments;
2. Overseeing the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
3. Ensuring that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
4. Recommending continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
5. Adopting corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;
6. Proposing and planning relevant trainings for the members of the Board; and
7. Establishing a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Company's culture and strategy as well as the business environment in which it operates.

C. Risk Oversight Committee

The Risk Oversight Committee ensures the proper implementation by the Board of its risk oversight functions over management's practices across the company. The Risk Oversight Committee provides guidance to management in identifying, evaluating, and monitoring existing and emerging risks for proper treatment or mitigation.

For the 2024-2025 term, CLI's Risk Oversight Committee is composed of four (4) qualified non-executive directors, three (3) of whom, including the Chairperson, are independent directors. The members of the Risk Oversight Committee, who are all experienced executives and who have held

various key positions in other publicly listed companies, all have relevant thorough knowledge and experience on risk and risk management. The Chairperson of the Risk Oversight Committee, Atty. Ma. Jasmine S. Oporto is a certified Compliance & Risk Management Professional under the GRC Institute of Australia.

D. Related Party Transaction Committee

CLI's Related Party Transaction (RPT) Committee is tasked with reviewing all material related party transactions of CLI to ensure that these are conducted at arm's length basis and on terms not more favorable than those made to unrelated third parties under similar circumstances.

CLI discloses its policies governing RPTs and other unusual or infrequently occurring transactions in CLI's Manual on Corporate Governance. Also, CLI has an existing RPT Policy which sets out the guidelines, categories, and thresholds that will govern the review, approval, or ratification of RPTs by the Board and/or CLI shareholders and ensure that these RPTs are duly accounted for and disclosed in accordance with relevant laws and regulations. As also stipulated in CLI's Manual on Corporate Governance, directors with material interest in a transaction affecting the Company and in other conflict of interest situations (actual or potential) are required to fully and immediately disclose the same and are mandated to abstain from taking part in their deliberations.

The CLI Board has a fully functioning Related Party Transaction (RPT) Committee tasked with reviewing all material related-party transactions of CLI to ensure that these are conducted at arm's-length basis and on terms not more favorable than those made to unrelated third parties under similar circumstances.

CLI's RPT Committee undertakes quarterly review and evaluation of CLI's related-party transactions. Management presents the various RPTs either for information (if not breaching the threshold) or for approval (if breaching the RPT thresholds), which are then endorsed for ratification and/or approval by the Board.

For the 2024-2025 term, CLI's RPT Committee is composed of four (4) qualified non-executive directors, three (3) of whom, including the Chairperson, are independent directors. Rufino Luis T. Manotok, the Chairperson of the CLI RPT Committee, is not the Chairman / Chairperson of the CLI Board or of any other committee.

E. Nomination Committee

The Nomination Committee is responsible for the nomination and vetting of prospective nominee directors for the CLI Board. The Nomination Committee enforces and implements CLI's formal and transparent nomination and election policy, which includes criteria in selecting new directors and nomination from shareholders.

The nomination and election process includes the review and evaluation of the qualifications of all persons nominated to the Board, including whether candidates: (1) possess the knowledge, skills, experience, and particularly in the case of non-executive directors, independence of mind given their responsibilities to the Board and in light of the entity's business and risk profile; (2) have a record of integrity and good repute; (3) have sufficient time to carry out their responsibilities; and (4) have the ability to promote a smooth interaction between and among Board members. Only a stockholder of record entitled to notice and to vote at the regular or special meeting of the stockholders for the election of directors shall be qualified to be nominated and elected as a director of the company.

For the 2024-2025 term, the Nomination Committee is composed of three (3) qualified directors, including the Lead Independent Director, Mr. Rufino Luis T. Manotok, as the Chairperson.

F. Compensation and Benefits Committee

The Compensation and Benefits Committee directly assists the Board in relation to the determination of the general principles and structure in the rationalization of remuneration, compensation, and benefits of all CLI employees at all levels of the Company. The Compensation and Benefits Committee also oversees the administration and implementation of CLI's programs concerning remuneration, compensation, and benefits plans.

For the 2024-2025 term, the Compensation and Benefits Committee is composed of three (3) qualified directors including its Non-Executive Director, Mr. Stephen Tan, as the Chairperson.

CY2024 Board and Committee Membership, Meetings, and Attendance

CLI directors devote sufficient time and attention in properly and effectively performing their respective duties and functions. As such, CLI directors attended and actively participated in all meetings of the Board, Committees, and shareholders in person or through tele-/video-conferencing conducted in accordance with SEC rules and regulations. Meetings conducted through teleconferencing and/or videoconferencing are properly recorded with appropriate tapes, discs, and/or other recording materials which are properly stored for safekeeping, in addition to the secretariat of the meeting maintaining written minutes.

Materials for CLI Board and Committee meetings are distributed to directors and committee members prior to meeting date. CLI uses the Diligent Board books which allows each director and committee member to access and review the meeting materials online through a secure portal.

In keeping with its duties to act responsibly and judiciously, CLI directors, before deciding on any matter brought to the Board, carefully evaluate the issues, make inquiries, and request clarification and apply high ethical standards, taking into account the interest of stakeholders. CLI does not have shareholder agreements, by-law provisions, or other arrangements that constrain the directors' ability to vote independently.

The following is a summary of the Board and Committee membership, meetings, and attendance for the calendar year 2024:

Board of Directors	Position	Meetings Attended
Jose R. Soberano III	Chairman	8 out of 8
Ma. Rosario B. Soberano	Member	8 out of 8
Jose Franco B. Soberano	Member	8 out of 8
Joanna Marie S. Bergundthal	Member	5 out of 8
Beauregard Grant L. Cheng	Member	8 out of 8
Rufino Luis T. Manotok	Lead Independent Director	8 out of 8
Ma. Aurora D. Geotina-Garcia	Independent Director	8 out of 8
Ma. Jasmine S. Oporto	Independent Director	8 out of 8
Stephen A. Tan	Non-Executive Director	7 out of 8

Audit Committee	Position	Meetings Attended
Ma. Aurora D. Geotina-Garcia	Chairperson	6 out of 6
Rufino Luis T. Manotok	Member	6 out of 6
Ma. Jasmine S. Oporto	Member	5 out of 6
Stephen A. Tan	Member	6 out of 6

Corporate Governance Committee	Position	Meetings Attended
Ma. Jasmine S. Oporto	Chairperson	4 out of 4
Rufino Luis T. Manotok	Member	4 out of 4
Ma. Aurora D. Geotina-Garcia	Member	4 out of 4
Stephen A. Tan	Member	4 out of 4

Risk Oversight Committee	Position	Meetings Attended
Ma. Jasmine S. Oporto	Chairperson	4 out of 4
Rufino Luis T. Manotok	Member	4 out of 4
Ma. Aurora D. Geotina-Garcia	Member	4 out of 4
Stephen A. Tan	Member	4 out of 4

RPT Committee	Position	Meetings Attended
Rufino Luis T. Manotok	Chairperson	5 out of 5
Ma. Aurora D. Geotina-Garcia	Member	5 out of 5

Ma. Jasmine S. Oporto	Member	5 out of 5
Stephen A. Tan	Member	5 out of 5

Nomination Committee	Position	Meetings Attended
Rufino Luis T. Manotok	Chairperson	1 out of 1
Jose R. Soberano III	Member	1 out of 1
Ma. Rosario B. Soberano	Member	1 out of 1

Compensation & Benefits Committee	Position	Meetings Attended
Stephen A. Tan	Chairperson	2 out of 2
Ma. Rosario B. Soberano	Member	2 out of 2
Joanna Marie S. Bergundthal	Member	2 out of 2

Participation of Directors and Key Officers in CY2024 Corporate Governance Training and Seminars

Directors and Key Officers	Seminar / Training	Date	Organizer
Rufino Luis T. Manotok	Corporate Governance Training	26 July 2024	Center for Global Best Practices
	Advanced Corporate Governance Training	05 December 2024	Institute of Corporate Directors
Ma. Aurora D. Geotina-Garcia	11th Annual SEC - PSE Corporate Governance Forum	28 November 2024	Securities and Exchange Commission The Philippine Stock Exchange, Inc.

	Advanced Corporate Governance	05 December 2024	Institute of Corporate Directors
	OECD Asia Roundtable on Corporate Governance	11-12 December 2024	Organisation for Economic Co-operation and Development
Atty. Ma. Jasmine S. Oporto	11th Annual SEC - PSE Corporate Governance Forum	28 November 2024	Securities and Exchange Commission The Philippine Stock Exchange, Inc.
Stephen A. Tan	2024 ACGS & CGS Workshop for PLCs and Insurance Companies	12-13 March 2024	Institute of Corporate Directors
	Distinguished Corporate Governance Speaker Series: ESG-related Risks and Opportunities into ERM	30 August 2024	Institute of Corporate Directors
	Distinguished Corporate Governance Speaker Series: AI in Governance and Leadership	10 October 2024	Institute of Corporate Directors
	Masterclass the Fourth Series: Session 5 - Who is Responsible for your Corporate Culture	29 November 2024	Institute of Corporate Directors
	Deploying a Data-first Strategy: Separating Fact versus Fiction	04 December 2024	Institute of Corporate Directors
	Advanced Corporate Governance Training	05 December 2024	Institute of Corporate Directors
Jose R. Soberano III	Advanced Corporate Governance Training	05 December 2024	Institute of Corporate Directors

Ma. Rosario B. Soberano	Advanced Corporate Governance Training	05 December 2024	Institute of Corporate Directors
Jose Franco B. Soberano	Advanced Corporate Governance Training	05 December 2024	Institute of Corporate Directors
Joanna Marie S. Bergundthal	Advanced Corporate Governance Training	05 December 2024	Institute of Corporate Directors
Beauregard Grant L. Cheng	Advanced Corporate Governance Training	05 December 2024	Institute of Corporate Directors
Atty. Alan C. Fontanosa (Corporate Secretary)	Mandatory Continuing Legal Education	September 2024	Integrated Bar of the Philippines
	MEPZ - HRA Special Session on Labor Matters	25 September 2024	Human Resources Association
	"Discipline and Dismissal" [What an effective, smart and competent Manager must know by heart]	September 2024	Innodate Knowledge Services, Inc.
Atty. Larri-Nil G. Veloso (Asst. Corporate Secretary)	Advanced Corporate Governance Training	05 December 2024	Institute of Corporate Directors
Atty. John Edmar G. Garde (Compliance Officer)	ASEAN Corporate Governance Scorecard Workshop for PLCs	March 19-20, 2024	Institute of Corporate Directors
	Targeted Financial Sanctions	September 05, 2024	Anti-Money Laundering Council
	AML/CTF Fundamentals	September 09, 2024	Anti-Money Laundering Council
	AMLC Registration and Reporting Guidelines	September 10, 2024	Anti-Money Laundering Council
	Advanced Corporate Governance Training	05 December 2024	Institute of Corporate Directors

G. Penalties for Non-compliance with the Manual on Corporate Governance

In case of violation of any of the provisions of the Manual on Corporate Governance, the following penalties shall be imposed, after due notice and hearing, on the Company's directors, officers, and employees:

1. First Violation – reprimand;
2. Second Violation – suspension from office, the duration of which shall depend on the gravity of the violation; and
3. Third Violation – removal from office.

The Compliance Officer shall be responsible in determining violation/s after due notice and hearing, and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.

PART V – EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS

The schedules required by SRC Rule 68 be presented is included/shown in the related consolidated financial statements or in the notes thereto.

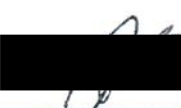
ITEM 15. REPORTS ON SEC FORM 17-C

CLI has submitted and filed all necessary SEC Form 17-C (Current Reports). All current reports are published and uploaded to the PSE Electronic Disclosure Generation Technology (EDGE) portal and/or submitted to the Information & Communications Technology Department (ICTD) electronic mail address of the SEC.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Cebu City on APR 15 2025.

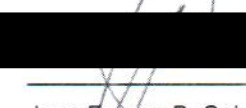
By:



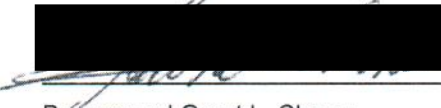
Jose R. Soberano III
President & CEO



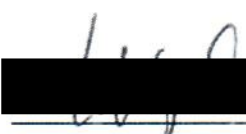
Ma. Rosario B. Soberano
Executive VP & Treasurer



Jose Franco B. Soberano
Executive VP and Chief Operating Officer



Beauregard Grant L. Cheng
Chief Financial Officer



Atty. Larri-Nil Veloso
Assistant Corporate Secretary



Paquita Tiguer-Rafols
VP-Accounting & Finance

SUBSCRIBED AND SWORN to before me this ____ day of APR 15 2025 affiant(s) exhibiting to me his/their Residence Certificates, as follows:

NAMES	ID NO.	DATE OF ISSUE	PLACE OF ISSUE
Jose R. Soberano III	P6678430B	APRIL 21, 2021	Cebu City, Philippines
Ma. Rosario B. Soberano	P6678357B	APRIL 21, 2021	Cebu City, Philippines
Beauregard Grant L. Cheng	P2730987B	AUG. 07, 2019	Manila, Philippines
Jose Franco B. Soberano	P8869098B	FEB. 8, 2022	Manila, Philippines
Paquita Tiguer-Rafols	P5889133A	FEB. 2, 2018	Cebu City, Philippines
Atty. Larri-Nil Veloso	DL: G01-03-001207	N/A	N/A

Witness my hand and seal on the date and place abovementioned.

Doc. No. 169 ;
Page No. 35 ;
Book No. 13 ;
Series of 2025.




ATTY. EDELINE O. COSICOL

Notary Public
Notarial Commission No. 040-23, Cebu City
Valid until December 31, 2026
Roll of Attorneys No. 82445
MCLE Compliance No. VIII-0000258, issued on 08-30-2022
PTR No. 1370974 ; 11-21-2024; Cebu Province
ISP OR No. 481074 ; 12-05-2024; Cebu Chapter
17th Flr. Park Centrale Tower, J.M. Del Mar St.,
Cebu I.T. Park, Apas, Cebu City

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	3	2	1	2	4	0

Company Name

C	E	B	U		L	A	N	D	M	A	S	T	E	R	S	,		I	N	C	.		A	N	D				
S	U	B	S	I	D	I	A	R	I	E	S		(	A		S	u	b	s	i	d	i	a	r	y		o	f	
A		B		S	o	b	e	r	a	n	o		H	o	l	d	i	n	g	s		C	o	r	p	.	)		

Principal Office (No./Street/Barangay/City/Town)Province)

1	0	T	H		F	L	O	O	R		P	A	R	K		C	E	N	T	R	A	L	E		T	O	W	E	R
J	O	S	E		M	A	.		D	E	L		M	A	R		S	T	.		B	2		L	3	,			
C	E	B	U		I	.	T	.		P	A	R	K	,		B	R	G	Y	.		A	P	A	S	,			
C	E	B	U		C	I	T	Y	,		P	H	I	L	I	P	P	I	N	E	S		6	0	0	0			

Form Type

A	F	S	2	4

Department requiring the report

S	E	C	

Secondary License Type, If Applicable

COMPANY INFORMATION

Company's Email Address

jggarde@cebulandmasters.com

Company's Telephone Number/s

(032) 231 4870

Mobile Number

N/A

No. of Stockholders

22

Annual Meeting
Month/Day

1st Friday of July

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Jose R. Soberano III

Email Address

ceo@cebulandmasters.com

Telephone Number/s

(032) 231 4870

Mobile Number

Contact Person's Address

10th floor, Park Centrale Tower, Jose Ma. del Mar St., B2 L3, Cebu I.T. Park, Brgy. Apas, Cebu City

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **Cebu Landmasters, Inc. and Subsidiaries (the Group)** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached herein, **for the years ended December 31, 2024, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

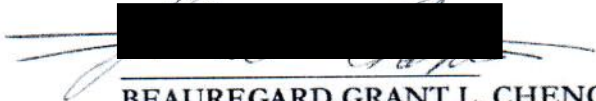
In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern as basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the condensed consolidated interim financial statements, including the schedules attached therein, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has reviewed the condensed consolidated interim financial statements of the Group in accordance with Philippine Standards on Review Engagements, and have rendered their report to the stockholders, upon completion of such review.


JOSE R. SOBERANO III
Chairman of the Board and Chief Executive Officer
TIN# 108-729-320-000


BEAUREGARD GRANT L. CHENG
Chief Financial Officer
TIN#205-557-510-000

Signed this ____ day of APR 09 2025

SUBSCRIBED AND SWORN to before me this APR 09 2025 at TALISAY CITY, CEBU affiants
exhibiting to me their respective Tax Identification Nos.

Doc. No. 295;
Page No. 60;
Book No. 19;
Series of 2025


ATTY. LARRY N. G. VELOSO

Notary Public
Talisay City and Naga City, Cebu
Commission No. 2017-05-EJ | December 31, 2026
Roll of Attorneys No. 58901
MCLE Compliance No. VII-0006577 | Roll No. 58901
PTR No. 1381571; 11-19-2024; Cebu Province
IBP No. 472966; 10-24-2024; Cebu Chapter
Block 1, Lot11, San Josemaria Village, Maghaway,
Talisay City, Cebu, Philippines 6045
10th Floor, Park Centrale, J.M. del Mar St., Cebu I.T. Park, Apas, Cebu City
Tel. No. (032) 231 - 4914 & (032) 231 - 4870 or Telefax (032) 231 - 5073

Consolidated Financial Statements and
Independent Auditors' Report

Cebu Landmasters, Inc. and Subsidiaries

December 31, 2024, 2023 and 2022

(With Corresponding Figures as of January 1, 2023)

Report of Independent Auditors

Punongbayan & Araullo

20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and Stockholders
Cebu Landmasters, Inc. and Subsidiaries
(A Subsidiary of A B Soberano Holdings Corp.)

10th Floor, Park Centrale Tower
Jose Ma. Del Mar St., B2 L3
Cebu I.T. Park, Brgy., Apas
Cebu City

Opinion

We have audited the consolidated financial statements of Cebu Landmasters, Inc. and Subsidiaries (collectively referred to herein as the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements, which discusses the adoption and impact of the previously deferred provisions of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry, using the full retrospective approach. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue Recognition for Real Estate Sales***Description of the Matter***

We considered the Group's recognition of revenue from real estate sales a key audit matter due to high volume of transactions and the significant amount involved. In 2024, the Group's revenue from real estate sales amounted to P17.3 billion, which accounts for 89% of the Group's total revenues. The Group uses the percentage of completion (POC) method to calculate contract revenues for the reporting period. This process involves complex application of revenue recognition standards, requiring significant management judgment, particularly in assessing the probability of collecting contract prices and estimating the stage of project completion. An error in the application of the requirements of said standards, and of management judgments and estimates could lead to material misstatement in the consolidated financial statements.

Additionally, the Group adopted in 2024 the previously deferred provisions of PFRS 15, which require the assessment of significant financing component included in the transaction price. This area was also significant to our audit as an error in the application of such complex accounting framework, which also requires significant management's judgment and estimate, could also result in a material misstatement in the consolidated financial statements.

The Group's accounting policies on recognition of revenue from real estate sales, including the impact of adoption of previously deferred provisions of PFRS 15, as well as the basis of significant judgments and estimates, are disclosed in Notes 2 and 3 to the consolidated financial statements, respectively.

How the Matter was Addressed in the Audit

To address the risk of material misstatements in revenue recognition, we tested the design and operating effectiveness of relevant controls, including information technology (IT) general controls, for processes relating to generation and recognition of contract revenue. In addition, we reviewed sales agreements, on a sampling basis, and the relevant facts and circumstances about the real estate transactions to assess compliance with the criteria for revenue recognition. We have also analyzed management's judgment in determining the probability of collection of the contract price by reviewing historical customer payment pattern.

To evaluate progress toward fulfilling performance obligations using the input method, we tested the progress reported for the year by comparing actual costs incurred to total budgeted project development costs. Our procedures include understanding of relevant controls over recording of costs and examining supporting documents. We inspected selected projects under development to evaluate if the completion based on costs is aligned with the physical completion of the project. In testing the reasonableness of budgetary estimates, we assessed the qualifications of project engineers who prepared the budgets, and reviewed the actual performance of completed projects with reference to their budgeted costs.

In relation to the assessment of significant financing component, we reviewed changes to the Group's revenue recognition policy and related business processes. We evaluated management's assumptions used in determining the financing component of the transaction price such as payment terms, projected milestones and applicable discount rates. Additionally, we tested the accuracy of schedules of significant financing components, reviewed contract summaries, and reviewed the prior period adjustments using a full retrospective approach. We also recomputed the transaction prices, examined the supporting documents on a sampling basis, and performed overall analytical review of actual results.

Existence and Accuracy of Real Estate Inventories

Description of the Matter

Real estate inventories amount to P13.1 billion, which accounts for 28% of total current assets and 12% of total assets of the Group, as at December 31, 2024. Due to its significant impact on the consolidated financial statements, we considered the accuracy of real estate inventory as a key audit matter. This includes construction-in-progress, which involves estimating unbilled materials and project contractors' services at the end of the reporting period. Management's failure to consider such unbilled materials and services, and an error in estimating the same, could have a material impact on the carrying value of real estate inventories as well as the POC and cost of real estate sales.

The valuation of the real estate inventories also depends on their existence. The Group's real estate projects are spread across various locations and are at different stages of completion, which require significant judgment and estimation, as such, have also considered the existence of real estate inventories as a key audit matter.

The Group's policy on accounting for real estate inventories is disclosed in Notes 2 and 3 to the consolidated financial statements and an analysis of the assets' components is presented in Note 7.

How the Matter was Addressed in the Audit

We tested the design and operating effectiveness of relevant controls, including IT general controls, for processes relating to purchase initiation, recording, and cost allocation to real estate inventories. To confirm inventory existence, we also performed site inspections of selected real estate projects close to the end of the reporting period and reviewed documents such as land titles, progress reports, and contractors' accomplishment billings.

We also evaluated management's assumptions for estimating unbilled materials and services, by reviewing the technical competence of project engineers who assess the project's POC, and by confirming, on a sample basis, to general contractors of the POC.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditors' report is Renan A. Piamonte.

PUNONGBAYAN & ARAULLO



By: **Renan A. Piamonte**
Partner

CPA Reg. No. 0107805

TIN 221-843-037

PTR No. 10465913, January 2, 2025, Makati City

BIR AN 08-002511-037-2022 (until October 13, 2025)

BOA/PRC Cert. of Reg. No. 0002/P-010 (until August 12, 2027)

April 9, 2025

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(With Corresponding Figures as of January 1, 2023)
(Amounts in Philippine Pesos)

		December 31, 2024	December 31, 2023 (As Restated - see Note 2)	January 1, 2023 (As Restated - see Note 2)
A S S E T S	Notes			
CURRENT ASSETS				
Cash and cash equivalents	5	P 1,583,238,995	P 913,841,206	P 1,434,559,762
Receivables - net	6	4,481,590,912	2,093,139,231	3,571,775,532
Contract assets - net	18	20,843,159,851	26,225,182,718	16,208,926,784
Real estate inventories	7	13,080,093,413	17,055,281,651	17,187,339,900
Deposits on land for future development	8	-	15,000,000	129,996,729
Due from related parties	26	53,425,348	48,596,767	35,802,341
Prepayments and other current assets	9	7,361,411,891	6,434,166,661	4,236,252,125
		<u>47,402,920,410</u>	<u>52,785,208,234</u>	<u>42,804,653,173</u>
Non-current asset held-for-sale	10	237,832,347	-	-
Total Current Assets		<u>47,640,752,757</u>	<u>52,785,208,234</u>	<u>42,804,653,173</u>
NON-CURRENT ASSETS				
Receivables - net	6	128,161,471	156,093,837	106,500,218
Contract assets - net	18	28,583,967,809	18,868,803,692	15,770,136,750
Investments in associates and joint venture	10	784,885,021	142,489,432	133,559,576
Property and equipment - net	11	9,165,352,398	7,241,895,672	4,813,732,450
Right-of-use assets	12	1,094,503,157	1,129,605,407	1,168,049,405
Investment properties - net	13	19,444,997,083	18,334,014,653	17,749,297,533
Other non-current assets - net	14	2,159,905,146	1,789,963,392	1,377,070,838
Total Non-current Assets		<u>61,361,772,085</u>	<u>47,662,866,085</u>	<u>41,118,346,770</u>
TOTAL ASSETS		P 109,002,524,842	P 100,448,074,319	P 83,922,999,943
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Interest-bearing loans and borrowings	15	P 10,115,412,966	P 11,567,153,371	P 8,123,643,987
Trade and other payables	17	21,052,145,479	22,780,790,598	18,843,635,888
Contract liabilities	18	296,265,114	449,338,207	598,361,867
Customers' deposits	18	90,223,203	144,003,765	120,250,096
Lease liabilities	12	57,922,896	55,717,884	54,145,058
Income tax payable		15,988,162	2,210,977	3,646,417
Total Current Liabilities		<u>31,627,957,820</u>	<u>34,999,214,802</u>	<u>27,743,683,313</u>
NON-CURRENT LIABILITIES				
Interest-bearing loans and borrowings	15	34,536,666,965	30,621,692,365	26,938,646,624
Bonds payable	16	4,964,768,926	4,947,822,521	4,930,582,631
Trade and other payables	17	540,289,379	185,420,132	195,075,703
Lease liabilities	12	1,233,425,726	1,207,138,171	1,182,914,425
Post-employment defined benefit obligation	24	40,309,395	10,395,914	9,390,095
Deferred tax liabilities - net	25	5,752,987,226	5,023,279,337	3,446,388,070
Total Non-current Liabilities		<u>47,068,447,617</u>	<u>41,995,748,440</u>	<u>36,702,997,548</u>
Total Liabilities		<u>78,696,405,437</u>	<u>76,994,963,242</u>	<u>64,446,680,861</u>
EQUITY				
Equity attributable to shareholders of Parent Company	27	20,345,576,387	14,232,257,548	12,063,296,397
Non-controlling interest		9,960,543,018	9,220,853,529	7,413,022,685
Total Equity		<u>30,306,119,405</u>	<u>23,453,111,077</u>	<u>19,476,319,082</u>
TOTAL LIABILITIES AND EQUITY		P 109,002,524,842	P 100,448,074,319	P 83,922,999,943

See Notes to Consolidated Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

			2023	2022
	Notes	2024	(As Restated - see Note 2)	(As Restated - see Note 2)
REVENUES	18			
Sale of real estates		P 17,293,737,754	P 16,460,800,115	P 13,943,993,599
Interest income from real estate sales		1,764,792,165	2,047,501,971	1,495,142,763
Hotel operations		240,468,442	138,551,300	83,418,279
Rental		162,412,193	112,343,856	79,277,559
Management fees		<u>63,932,835</u>	<u>59,216,126</u>	<u>55,465,803</u>
		<u>19,525,343,389</u>	<u>18,818,413,368</u>	<u>15,657,298,003</u>
COST OF SALES AND SERVICES	19	(<u>9,356,228,381</u>)	(<u>8,402,799,914</u>)	(<u>7,872,879,398</u>)
GROSS PROFIT		<u>10,169,115,008</u>	<u>10,415,613,454</u>	<u>7,784,418,605</u>
OPERATING EXPENSES	20	(<u>3,200,859,672</u>)	(<u>2,784,634,909</u>)	(<u>2,368,932,953</u>)
OTHER OPERATING INCOME	21	<u>452,169,850</u>	<u>410,779,779</u>	<u>202,542,753</u>
OPERATING PROFIT		<u>7,420,425,186</u>	<u>8,041,758,324</u>	<u>5,618,028,405</u>
FINANCE COSTS	22	(<u>2,188,102,745</u>)	(<u>2,357,079,962</u>)	(<u>1,227,583,663</u>)
FINANCE INCOME	23	<u>24,035,404</u>	<u>14,983,406</u>	<u>14,819,366</u>
SHARE IN NET LOSS OF ASSOCIATES	10	(<u>2,879,180</u>)	(<u>12,570,144</u>)	(<u>9,505,354</u>)
IMPAIRMENT LOSS ON FINANCIAL ASSETS	6	(<u>566,025</u>)	(<u>432,793</u>)	(<u>1,855,555</u>)
OTHER LOSSES	21	(<u>25,133,336</u>)	(<u>3,809,681</u>)	(<u>8,077,498</u>)
PROFIT BEFORE TAX		<u>5,227,779,304</u>	<u>5,682,849,150</u>	<u>4,385,825,701</u>
TAX EXPENSE	25	(<u>1,229,930,327</u>)	(<u>1,847,179,153</u>)	(<u>1,283,909,777</u>)
NET PROFIT		<u>P 3,997,848,977</u>	<u>P 3,835,669,997</u>	<u>P 3,101,915,924</u>
Net profit attributable to:				
Parent Company's shareholders		P 3,009,909,488	P 2,794,959,153	P 2,688,261,719
Non-controlling interests		<u>987,939,489</u>	<u>1,040,710,844</u>	<u>413,654,205</u>
		<u>P 3,997,848,977</u>	<u>P 3,835,669,997</u>	<u>P 3,101,915,924</u>
Earnings per Share:				
Basic and diluted	28	<u>P 0.72</u>	<u>P 0.81</u>	<u>P 0.78</u>
Dividends Declared per Share:	27			
Common shares		<u>P 0.18</u>	<u>P 0.18</u>	<u>P 0.15</u>
Preferred shares:				
Series A-1 (CLIA1)		<u>P 113.77</u>	<u>P -</u>	<u>P -</u>
Series A-2 (CLIA2)		<u>P 123.75</u>	<u>P -</u>	<u>P -</u>

See Notes to Consolidated Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023 (As Restated - see Note 2)	2022 (As Restated - see Note 2)
NET PROFIT		P 3,997,848,977	P 3,835,669,997	P 3,101,915,924
OTHER COMPREHENSIVE LOSS				
Item that will not be reclassified subsequently to profit or loss				
Loss on remeasurements of post-employment defined benefit plan	24	(21,868,779)	(5,836,964)	(577,372)
Tax income	25	5,467,195	1,459,241	144,343
		(16,401,584)	(4,377,723)	(433,029)
TOTAL COMPREHENSIVE INCOME		P 3,981,447,393	P 3,831,292,274	P 3,101,482,895
Total comprehensive income attributable to:				
Parent Company's shareholders		P 2,993,507,904	P 2,790,581,430	P 2,687,828,690
Non-controlling interests		987,939,489	1,040,710,844	413,654,205
		P 3,981,447,393	P 3,831,292,274	P 3,101,482,895

See Notes to Consolidated Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Attributable to Shareholders of Parent Company								Non-controlling Interests (See Note 27)	Total	
	Capital Stock (See Note 27)	Additional Paid-in Capital (See Note 27)	Treasury Stock (See Note 27)	Share Options Outstanding (See Note 27)	Revaluation Reserves (See Note 27)	Retained Earnings (see Note 27)					
						Appropriated	Unappropriated	Total			
Balance at January 1, 2024											
As previously reported	P 3,623,451,997	P 1,608,917,974	(P 732,664,604)	P 4,311,977	(P 18,288,224)	P 6,914,803,006	P 5,050,870,147	P 11,965,673,153	P 16,451,402,273	P 9,345,354,263	P 25,796,756,536
Effect of restatement - see Note 2	-	-	-	-	-	-	(2,219,144,725)	(2,219,144,725)	(2,219,144,725)	(124,500,734)	(2,343,645,459)
As restated	<u>3,623,451,997</u>	<u>1,608,917,974</u>	<u>(732,664,604)</u>	<u>4,311,977</u>	<u>(18,288,224)</u>	<u>6,914,803,006</u>	<u>2,831,725,422</u>	<u>9,746,528,428</u>	<u>14,232,257,548</u>	<u>9,220,853,529</u>	<u>23,453,111,077</u>
Transactions with owners											
Issuance of preferred shares	4,280,340	4,247,007,247	-	-	-	-	-	-	4,251,287,587	-	4,251,287,587
Investments from non-controlling stockholders	-	-	-	-	-	-	-	-	-	32,500,000	32,500,000
Cash dividends	-	-	-	-	-	-	(1,132,846,315)	(1,132,846,315)	(1,132,846,315)	(280,750,000)	(1,413,596,315)
Stock option granted	-	-	-	1,369,663	-	-	-	-	1,369,663	-	1,369,663
	<u>4,280,340</u>	<u>4,247,007,247</u>	<u>-</u>	<u>1,369,663</u>	<u>-</u>	<u>-</u>	<u>(1,132,846,315)</u>	<u>(1,132,846,315)</u>	<u>3,119,810,935</u>	<u>(248,250,000)</u>	<u>2,871,560,935</u>
Appropriation of retained earnings											
Reversal of appropriations during the year	-	-	-	-	-	(3,691,083,698)	3,691,083,698	-	-	-	-
Total comprehensive income for the year											
Net profit for the year	-	-	-	-	-	-	3,009,909,488	3,009,909,488	3,009,909,488	987,939,489	3,997,848,977
Other comprehensive loss	-	-	-	-	(16,401,584)	-	-	-	(16,401,584)	-	(16,401,584)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,401,584)</u>	<u>-</u>	<u>3,009,909,488</u>	<u>3,009,909,488</u>	<u>2,993,507,904</u>	<u>987,939,489</u>	<u>3,981,447,393</u>
Balance at December 31, 2024	<u>P 3,627,732,337</u>	<u>P 5,855,925,221</u>	<u>(P 732,664,604)</u>	<u>P 5,681,640</u>	<u>(P 34,689,808)</u>	<u>P 3,223,719,308</u>	<u>P 8,399,872,293</u>	<u>P 11,623,591,601</u>	<u>P 20,345,576,387</u>	<u>P 9,960,543,018</u>	<u>P 30,306,119,405</u>
Balance at January 1, 2023											
As previously reported	P 3,623,451,997	P 1,608,917,974	(P 732,664,604)	P 2,195,991	(P 13,910,501)	P 3,931,475,893	P 5,082,096,405	P 9,013,572,298	P 13,501,563,155	P 7,511,051,738	P 21,012,614,893
Effect of restatement - see Note 2	-	-	-	-	-	-	(1,438,266,758)	(1,438,266,758)	(1,438,266,758)	(98,029,053)	(1,536,295,811)
As restated	<u>3,623,451,997</u>	<u>1,608,917,974</u>	<u>(732,664,604)</u>	<u>2,195,991</u>	<u>(13,910,501)</u>	<u>3,931,475,893</u>	<u>3,643,829,647</u>	<u>7,575,305,540</u>	<u>12,063,296,397</u>	<u>7,413,022,685</u>	<u>19,476,319,082</u>
Transactions with owners											
Investments from non-controlling stockholders	-	-	-	-	-	-	-	-	-	879,500,000	879,500,000
Cash dividends	-	-	-	-	-	-	(623,736,265)	(623,736,265)	(623,736,265)	(112,380,000)	(736,116,265)
Stock option granted	-	-	-	2,115,986	-	-	-	-	2,115,986	-	2,115,986
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,115,986</u>	<u>-</u>	<u>-</u>	<u>(623,736,265)</u>	<u>(623,736,265)</u>	<u>(621,620,279)</u>	<u>767,120,000</u>	<u>145,499,721</u>
Appropriation of retained earnings											
Appropriations during the year	-	-	-	-	-	6,324,658,043	(6,324,658,043)	-	-	-	-
Reversal of appropriations during the year	-	-	-	-	-	(3,341,330,930)	3,341,330,930	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,983,327,113</u>	<u>(2,983,327,113)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year											
Net profit for the year	-	-	-	-	-	-	2,794,959,153	2,794,959,153	2,794,959,153	1,040,710,844	3,835,669,997
Other comprehensive loss	-	-	-	-	(4,377,723)	-	-	-	(4,377,723)	-	(4,377,723)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,377,723)</u>	<u>-</u>	<u>2,794,959,153</u>	<u>2,794,959,153</u>	<u>2,790,581,430</u>	<u>1,040,710,844</u>	<u>3,831,292,274</u>
Balance at December 31, 2023	<u>P 3,623,451,997</u>	<u>P 1,608,917,974</u>	<u>(P 732,664,604)</u>	<u>P 4,311,977</u>	<u>(P 18,288,224)</u>	<u>P 6,914,803,006</u>	<u>P 2,831,725,422</u>	<u>P 9,746,528,428</u>	<u>P 14,232,257,548</u>	<u>P 9,220,853,529</u>	<u>P 23,453,111,077</u>
Balance at January 1, 2022											
As previously reported	P 3,623,451,997	P 1,608,917,974	(P 748,171,901)	P -	(P 13,477,472)	P 172,049,912	P 6,197,103,693	P 6,369,153,605	P 10,839,874,203	P 7,092,307,321	P 17,932,181,524
Effect of restatement	-	-	-	-	-	-	(955,640,738)	(955,640,738)	(955,640,738)	(74,679,850)	(1,030,320,588)
As restated	<u>3,623,451,997</u>	<u>1,608,917,974</u>	<u>(748,171,901)</u>	<u>-</u>	<u>(13,477,472)</u>	<u>172,049,912</u>	<u>5,241,462,955</u>	<u>5,413,512,867</u>	<u>9,884,233,465</u>	<u>7,017,627,471</u>	<u>16,901,860,936</u>
Transactions with owners											
Investments from non-controlling stockholders	-	-	-	-	-	-	-	-	-	61,641,010	61,641,010
Cash dividends	-	-	-	-	-	-	(519,780,221)	(519,780,221)	(519,780,221)	(79,900,000)	(599,680,221)
Stock option granted	-	-	-	3,005,840	-	-	-	-	3,005,840	-	3,005,840
Stock option exercised	-	-	15,507,297	(809,849)	-	-	(6,688,825)	(6,688,825)	8,008,623	-	8,008,623
	<u>-</u>	<u>-</u>	<u>15,507,297</u>	<u>2,195,991</u>	<u>-</u>	<u>-</u>	<u>(526,469,046)</u>	<u>(526,469,046)</u>	<u>(508,765,758)</u>	<u>(18,258,990)</u>	<u>(527,024,748)</u>
Appropriation of retained earnings											
Appropriations during the year	-	-	-	-	-	3,931,475,893	(3,931,475,893)	-	-	-	-
Reversal of appropriations during the year	-	-	-	-	-	(172,049,912)	172,049,912	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,759,425,981</u>	<u>(3,759,425,981)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year											
Net profit for the year	-	-	-	-	-	-	2,688,261,719	2,688,261,719	2,688,261,719	413,654,205	3,101,915,924
Other comprehensive loss	-	-	-	-	(433,029)	-	-	-	(433,029)	-	(433,029)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(433,029)</u>	<u>-</u>	<u>2,688,261,719</u>	<u>2,688,261,719</u>	<u>2,687,828,690</u>	<u>413,654,205</u>	<u>3,101,482,895</u>
Balance at December 31, 2022	<u>P 3,623,451,997</u>	<u>P 1,608,917,974</u>	<u>(P 732,664,604)</u>	<u>P 2,195,991</u>	<u>(P 13,910,501)</u>	<u>P 3,931,475,893</u>	<u>P 3,643,829,647</u>	<u>P 7,575,305,540</u>	<u>P 12,063,296,397</u>	<u>P 7,413,022,685</u>	<u>P 19,476,319,082</u>

See Notes to Consolidated Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023 (As Restated - see Note 2)	2022 (As Restated - see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 5,227,779,304	P 5,682,849,150	P 4,385,825,701
Adjustments for:				
Interest expense on:	22			
Loans		1,971,427,485	2,205,875,946	1,136,010,363
Bonds		131,374,423	66,856,868	15,444,620
Lease liabilities		81,997,700	80,167,300	75,629,879
Depreciation and amortization	20	175,519,160	186,911,151	170,626,662
Interest income	23	(20,582,423)	(13,874,699)	(14,664,879)
Share in net losses of associates	10	2,879,180	12,570,144	9,505,354
Share option benefits expense	24, 27	1,369,663	2,115,986	3,005,840
Loss (gain) on sale of property and equipment	11	(1,368,905)	17,410	(128,365)
Impairment loss on financial assets	6	566,025	432,793	1,855,555
Operating profit before working capital changes		7,570,961,612	8,223,922,049	5,783,110,730
Decrease (increase) in receivables		(2,361,085,340)	1,428,609,888	2,325,639,618
Increase in contract assets		(4,333,141,250)	(13,114,922,876)	(11,688,758,349)
Decrease in real estate inventories		5,280,667,025	1,718,791,115	1,914,260,983
Decrease (increase) in prepayments and other current assets		(701,073,022)	(2,197,914,536)	625,328,447
Increase in deposits on land for future development		-	(349,502,459)	(129,996,729)
Increase in other non-current assets		(373,866,151)	(418,939,623)	(1,069,949,268)
Increase in trade and other payables		113,592,630	1,561,102,964	3,804,705,659
Decrease in contract liabilities		(153,073,093)	(149,023,660)	(5,892,736)
Increase (decrease) in customers' deposits		(53,780,562)	23,753,669	30,353,089
Increase (decrease) in post-employment defined benefit obligation		13,511,897	(4,831,145)	4,059,394
Cash generated from (used in) operations		5,002,713,746	(3,278,954,614)	1,592,860,838
Cash paid for taxes		(712,617,461)	(270,264,085)	(300,933,097)
Net Cash From (Used in) Operating Activities		4,290,096,285	(3,549,218,699)	1,291,927,741
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of investment properties	13	(3,227,521,353)	(321,623,733)	(5,174,664,275)
Acquisitions of property and equipment	11	(1,466,756,262)	(996,053,776)	(1,204,019,547)
Additional investments in associates and a joint venture	10	(883,107,116)	(21,500,000)	(8,000,000)
Interest received		20,582,423	13,874,699	14,664,879
Advances to related parties	26	(4,828,581)	(12,794,426)	(368,535)
Acquisitions of computer software	14	(3,446,947)	(1,914,986)	(3,064,323)
Proceeds from sale of property and equipment		2,740,603	563,795	1,043,039
Collections of advances to related parties	26	-	-	22,000,465
Net Cash Used in Investing Activities		(5,562,337,233)	(1,339,448,427)	(6,352,408,297)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of interest-bearing loans - net	15	17,475,143,091	12,943,572,214	11,749,374,715
Repayments of interest-bearing loans	15	(15,162,165,054)	(5,791,848,745)	(8,807,422,731)
Proceeds from issuance of shares of stock	27	4,251,287,587	-	-
Interest paid on interest-bearing loans		(3,211,966,319)	(2,543,426,951)	(1,907,051,243)
Cash dividends paid	27	(1,074,189,609)	(727,716,265)	(599,680,221)
Interest paid on bonds		(315,465,826)	(337,485,050)	(14,704,640)
Payment of lease liabilities	12	(53,505,133)	(54,646,634)	(17,574,742)
Additional investment from non-controlling shareholders	27	32,500,000	879,500,000	61,641,010
Proceeds from issuances of bonds - net	34	-	-	4,926,627,631
Proceeds from reissuance of treasury stock		-	-	8,008,623
Net Cash From Financing Activities		1,941,638,737	4,367,948,570	5,399,218,402
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		669,397,789	(520,718,556)	338,737,846
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		913,841,206	1,434,559,762	1,095,821,916
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 1,583,238,995	P 913,841,206	P 1,434,559,762

Supplemental Information on Non-cash Activities is disclosed in Note 35.

See Notes to Consolidated Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Cebu Landmasters, Inc. (the Parent Company or CLI) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on September 26, 2003. CLI is presently engaged in real estate-related activities which include real estate development, sales, leasing and property management. The Parent Company's real estate portfolio include condominium and subdivision for residence, mixed-use properties, townships, hotels and resorts, offices, and co-living space.

The Parent Company is a subsidiary of A B Soberano Holdings Corp. (the Ultimate Parent Company or ABS). ABS is a holding company and is incorporated and domiciled in the Philippines. The registered office address and principal place of business of ABS is located at 2nd Street, Villa San Lorenzo, Quijada Street, Barangay Guadalupe, Cebu City.

On January 6, 2017, the Board of Directors (BOD) approved the Parent Company's application for the registration of its common stocks with the SEC and application for the listing thereof in the Philippine Stock Exchange (PSE). The Parent Company's shares were listed on the main board of the PSE on June 2, 2017 (see Note 27).

The registered office address of CLI, which is also its principal place of business, is located at 10th Floor, Park Centrale Tower, Jose Ma. Del Mar St., B2 L3, Cebu I.T. Park, Brgy. Apas, Cebu City, Philippines.

1.2 Subsidiaries, Associates and Joint Venture

CLI holds ownership interests in the following subsidiaries, associates and a joint venture:

Entities	Note	Effective Percentage of Ownership	
		2024	2023
<i>Subsidiaries</i>			
CLI Premier Hotels Int'l. Inc. (CPH)	(a)	100%	100%
Cebu Landmasters Property Management, Inc. (CPM)	(b)	100%	100%
A.S. Fortuna Property Ventures, Inc. (ASF)	(c)	100%	100%
CLI Hotels and Resorts Inc. (CHR)	(d)	100%	100%
CLI-LITE Panglao Inc. (CLI-LITE)	(e)	88%	88%
Ming-mori Development Corporation (MDC)	(f)	78%	78%
Sugbo Prime Estate, Inc. (SPE)	(g)	64%	64%
BL CBP Ventures, Inc. (BL Ventures)	(h)	50%	50%
<i>(Forward)</i>			

Entities	Note	Effective Percentage of Ownership	
		2024	2023
<i>Subsidiaries</i>			
Yuson Excellence Soberano, Inc. (YES)	(i)	50%	50%
Yuson Huang Excellence Soberano, Inc. (YHES)	(j)	50%	50%
YHEST Realty and Development Corporation (YHEST)	(k)	50%	50%
CCLI Premier Hotels, Inc. (CCLI)	(l)	50%	50%
Cebu Homegrown Developers, Inc. (CHDI)	(m)	50%	50%
YHES Premier Hotels Inc. (YHESPH)	(n)	50%	50%
Cebu BL-Ramos Ventures Inc. (CBLRV)	(o)	50%	50%
GGTT Realty Corporation (GGTT)	(p)	50%	50%
Mivesa Garden Residences, Inc. (MGR)	(q)	45%	45%
El Camino Developers Cebu, Inc. (El Camino)	(r)	35%	35%
<i>Associates</i>			
Iloilo Global City Corporation (IGCC)	(s)	43%	43%
ICOM Air Corporation (ICOM)	(t)	33%	33%
Magspeak Nature Park, Inc. (Magspeak)	(u)	25%	25%
<i>Joint Venture</i>			
CLI NUD Ventures, Inc. (CLI NUD)*	(v)	30%	-

*see Notes 10 and 35

CLI and its subsidiaries (collectively referred as “the Group”), associates and joint venture are all incorporated in the Philippines. The subsidiaries, associates and joint venture, except CPH, CPM, CHR, CCLI, YHESPH and ICOM, are in the same line of business as CLI. A brief description of these entities follows:

- (a) CPH was incorporated in 2016 as a wholly owned subsidiary of CLI. CPH is engaged in the real estate and hotel management business, which started commercial operations on September 14, 2019. The principal place of business of CPH is located in Cebu City.
- (b) CPM was incorporated in 2017 as a wholly owned subsidiary of CLI. CPM is engaged in the management of condominium corporations and housing associations affiliated with CLI. CPM has started commercial operations on September 1, 2017. The principal place of business of CPH is located in Cebu City.
- (c) ASF was incorporated in 2017 as a joint venture where CLI initially held 40% ownership interest. CLI acquired all the ownership interest of its business partners at the end of 2017 which made ASF its wholly owned subsidiary. The principal place of business of ASF is located in Cebu City.
- (d) CHR was incorporated on August 4, 2022 as a wholly-owned subsidiary of CLI and is engaged to run and manage the Group’s various hotel projects. CHR started its commercial operations in January 2024. Its principal place of business is located in Cebu City.

- (e) CLI-LITE was incorporated on July 19, 2021 as an undertaking by CLI and two other corporations for the development of a mixed-use project with residential condominiums and a possible hotel component in Panglao Island, Bohol. The principal place of business of CLI-LITE is located in Cebu City.
- (f) MDC was incorporated in 2013 as an undertaking between CLI and four other entities for the development of an economic business district. The principal place of business of MDC is located in Cebu City.
- (g) SPE was formed in 2019 as a one person corporation and was converted to an ordinary stock corporation after entering into a joint venture with CLI on March 4, 2021, for the development of a dormitory with retail and warehouse spaces. The principal place of business of SPE is located in Cebu City.
- (h) BL Ventures was formed by CLI and Borromeo Bros. Estate, Inc. (BBEI) to construct and operate Latitude Corporate Center. The principal place of business of BL Ventures is located in Cebu City.
- (i) YES was formed by CLI and Yuson Comm. Investments, Inc. to construct and operate Messatiera Garden Residences in Davao. The principal place of business of YES is located in Davao City.
- (j) YHES was incorporated in 2017 as an undertaking among CLI, Yuson Strategic Holdings, Inc., and Davao Filandia Realty Corp. for the development of mixed-used real estate project, the Paragon Davao. The principal place of business of YHES is located in Davao City.
- (k) YHEST was incorporated in 2018 as an undertaking among CLI and five corporations for the development of a central business district located at Matina, Davao. The principal place of business of YHEST is located in Davao City.
- (l) CCLI was incorporated in 2018 as an undertaking between CLI and Capitaine, Inc. for the development of Citadines hotel in Bacolod City. CCLI started its commercial operations in June 2024. The principal place of business of CCLI is located in Bacolod City.
- (m) CHDI is an undertaking between CLI and Aboitiz Land, Inc. and was incorporated on December 5, 2019. CHDI is engaged in the development of a high-rise mixed-use condominium complex in Mandaue City, Cebu. Its principal place of business is in Cebu City.
- (n) YHESPH was incorporated on October 28, 2019 as a wholly owned subsidiary of YHES that will engage in hotel business. Its ultimate parent is CLI which owns 50% of YHES. As at December 31, 2024, YHESPH has yet to start commercial operations.
- (o) CBLRV, a new subsidiary in 2020, was incorporated on February 21, 2020 as an undertaking between CLI and BBEI and is engaged in the development of a mixed-use condominium tower in Cebu City. Its principal place of business also is located in Cebu City.

- (p) GGTT was incorporated on March 26, 2003 and is engaged to construct a residential condominium project in its principal place of business in Iloilo City.
- (q) MGR was incorporated in 2017 as an undertaking by CLI and three corporations for the construction of buildings 6 and 7 of the Mivesa Garden Residences condominium. MGR is considered a subsidiary of CLI because CLI is exposed, or has rights, to variable returns from its involvement with MGR and has the ability to affect those returns due to its full control on MGR's management. The principal place of business of MGR is located in Cebu City.
- (r) El Camino was incorporated in 2016 as an undertaking between CLI and four other corporations for the development of 38 Park Avenue condominium project in Cebu City. CLI controls the operations of El Camino by virtue of an agreement among the shareholders and as such CLI is considered El Camino's parent company. The principal place of business of El Camino is located in Cebu City.
- (s) IGCC was incorporated in 2023 as an undertaking between CLI and two other corporations and is engaged in the development of a mixed-use condominium tower in Iloilo City. Its principal place of business is located in Iloilo City. As of December 31, 2024, IGCC has yet to commence commercial operations.
- (t) ICOM was incorporated on December 7, 2020 as an undertaking of CLI and various individual stockholders and corporations to import aircraft(s) and to operate a transportation business in the Philippines. ICOM's principal place of business is in Iloilo City.
- (u) Magspeak was incorporated in 2011 as an undertaking among CLI and four other corporations for the development of a mountain resort to be located in Balamban, Cebu. The principal place of business of Magspeak is located in Cebu City.
- (v) CLI NUD was incorporated on April 5, 2024 as a joint venture between CLI and NTT UD Asia Pte. Ltd., a Japanese company known for its mixed use residential and commercial developments, to develop a highly desirable residential condominium enclave with retail area. CLI has a committed plan to sell a portion of the CLI NUD shares it holds (see Notes 10 and 35). Its principal place of business is located in Cebu City. As of December 31, 2024, CLI NUD has yet to commence commercial operations (see Note 10).

1.3 Approval of Issuance of Consolidated Financial Statements

The consolidated financial statements of the Group as at and for the year ended December 31, 2024 (including the comparative consolidated financial statements for the years ended December 31, 2023 and 2022), were authorized for issue by the BOD on April 9, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these consolidated financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) SEC Financial Reporting Reliefs Availed by the Group

In 2023 and prior years, the Group has availed of several financial reporting reliefs granted by the SEC relating to the implementation issues of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry. In 2024, the Group adopted the previously deferred provisions of PFRS 15 and the related issuances of the Philippine Interpretations Committee (PIC), and International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods [Philippine Accounting Standards (PAS) 23, *Borrowing Cost*] using the full retrospective approach, as prescribed by SEC Memorandum Circular (MC) No. 08-2021, *Amendment to SEC MC No. 14-2018, MC No. 03-2019, MC No. 04-2020, and MC No. 34-2020 to clarify transitory provision*.

Discussed below and in the succeeding pages are the relevant information about these standards and interpretations, and the resulting adjustments to the relevant consolidated financial statements accounts as at and for the year ended December 31, 2023, and as at January 1, 2023.

(i) IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry

The IFRIC concluded that any inventory (work-in-progress) for unsold units under construction that the entity recognizes is not a qualifying asset, as the asset is ready for its intended sale in its current condition (i.e., the developer intends to sell the partially constructed units as soon as it finds suitable customers and, in signing a contract with a customer, will transfer control of any work-in-progress relating to that unit to the customer). Accordingly, no borrowing costs can be capitalized on such unsold real estate inventories.

The adoption of the above IFRIC Agenda Decision resulted in the restatement of the following relevant consolidated financial statements accounts as at and for the year ended December 31, 2023 and as at January 1, 2023.

<i>(Amounts in PHP)</i>	<u>Increase (Decrease)</u>
<u>December 31, 2023:</u>	
Finance costs	1,753,893,130
Cost of sales and services	(1,237,547,615)
Real estate inventories	(516,345,515)
Deferred tax liabilities - net	(291,004,134)
Deferred tax expense	291,004,134
<u>January 1, 2023:</u>	
Finance costs	2,579,266,239
Real estate inventories	(1,121,869,080)
Cost of sales and services	(1,457,397,159)
Deferred tax liabilities - net	(414,426,730)
Deferred tax expense	414,426,730

- (ii) PIC Q&A No. 2018-12-D, *Concept of the significant financing component in the contract to sell* and PIC Q&A No. 2020-04, *Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments*

PFRS 15 requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component.

There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Group does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant.

The adoption of this interpretation resulted in the restatement of the following consolidated financial statements accounts as at and for the year ended December 31, 2023 and as at January 1, 2023.

<i>(Amounts in PHP)</i>	<u>Increase (Decrease)</u>
<u>December 31, 2023:</u>	
Sale of real estates	(2,047,501,971)
Interest income from real estate sales	2,047,501,971
<u>January 1, 2023:</u>	
Sale of real estates	(1,495,142,763)
Interest income from real estate sales	1,495,142,763

The table below shows the effects of the adoption of the previously deferred provisions in the consolidated statements of financial position as of December 31, 2023 and January 1, 2023.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>As Previously Reported</u>	<u>Restatements</u>	<u>As Restated</u>
<u>As of December 31, 2023</u>				
<i>Change in assets –</i>				
Real estate inventories	2.1b(i)	18,693,496,246	(1,638,214,595)	17,055,281,651
<i>Change in liabilities –</i>				
Deferred tax liabilities - net	2.1b(i)	(4,317,848,473)	(705,430,864)	(5,023,279,337)
			<u>(2,343,645,459)</u>	
<i>Change in equity –</i>				
Equity attributable to shareholders of the				
Parent Company	2.1b(i)	(16,451,402,273)	2,219,144,725	(14,232,257,548)
Non-controlling interests	2.1b(i)	(9,345,354,263)	124,500,734	(9,220,853,529)
			<u>2,343,645,459</u>	
<u>As of January 1, 2023</u>				
<i>Change in assets –</i>				
Real estate inventories	2.1b(i)	18,309,208,981	(1,121,869,081)	17,187,339,900
<i>Change in liabilities –</i>				
Deferred tax liabilities - net	2.1b(i)	(3,031,961,340)	(414,426,730)	(3,446,388,070)
			<u>(1,536,295,811)</u>	
<i>Change in equity –</i>				
Equity attributable to shareholders of the				
Parent Company	2.1b(i)	(13,501,563,155)	1,438,266,758	(12,063,296,397)
Non-controlling interests	2.1b(i)	(7,511,051,738)	98,029,053	(7,413,022,685)
			<u>1,536,295,811</u>	

The effects of the restatements in the consolidated statements of profit or loss for the years ended December 31, 2023 and 2022 are summarized below:

<i>(Amounts in PHP)</i>	Note	As Previously Reported	Restatements	As Restated
<u>2023</u>				
<i>Changes in net profit and total comprehensive income:</i>				
Sale of real estate	2.1b(ii)	18,508,302,086	(2,047,501,971)	16,460,800,115
Interest income from real estate sales	2.1b(ii)	-	2,047,501,971	2,047,501,971
Cost of sales and services	2.1b(i)	(9,640,347,529)	1,237,547,615	(8,402,799,914)
Finance costs	2.1b(i)	(603,186,832)	(1,753,893,130)	(2,357,079,962)
Tax expense	2.1b(i)	(1,556,175,019)	(291,004,134)	(1,847,179,153)
			<u>(807,349,649)</u>	
Net profit attributable to:				
Parent Company's shareholders	2.1b(i)	3,575,837,120	(780,877,968)	2,794,959,153
Non-controlling interest	2.1b(i)	1,067,182,525	(26,471,681)	1,040,710,844
			<u>(807,349,649)</u>	
Earnings per share				
Basic and diluted		1.03		0.81
<u>2022</u>				
<i>Changes in net profit and total comprehensive income:</i>				
Sale of real estate	2.1b(ii)	15,439,136,362	(1,495,142,763)	13,943,993,599
Interest income from real estate sales	2.1b(ii)	-	1,495,142,763	1,495,142,763
Cost of sales and services	2.1b(i)	(8,367,635,549)	494,756,151	(7,872,879,398)
Finance costs	2.1b(i)	(351,048,830)	(876,534,833)	(1,227,583,663)
Tax expense	2.1b(i)	(1,159,713,237)	(124,196,540)	(1,283,909,777)
			<u>(505,975,222)</u>	
Net profit attributable to:				
Parent Company's shareholders	2.1b(i)	3,170,887,739	(482,626,020)	2,688,261,719
Non-controlling interest	2.1b(i)	437,003,407	(23,349,202)	413,654,205
			<u>(505,975,222)</u>	
Earnings per share				
Basic and diluted		0.92		0.78

The effects of the restatements in the consolidated statements of cash flows for the years ended December 31, 2023 and 2022 are summarized as follows:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>As Previously Reported</u>	<u>Restatements</u>	<u>As Restated</u>
<u>2023</u>				
<i>Changes in cash flows from</i>				
<i>Operating activities:</i>				
Profit before tax	2.1b(i)	6,199,194,671	(516,345,521)	5,682,849,150
Adjustment for –				
Interest expense				
on loans	2.1b(i)	451,982,816	1,753,893,130	2,205,875,946
Decrease in real estate				
inventories	2.1b(i)	2,956,338,724	<u>(1,237,547,609)</u>	1,718,791,115
			<u>-</u>	
<u>2022</u>				
<i>Changes in cash flows from</i>				
<i>Operating activities:</i>				
Profit before tax	2.1b(ii)	4,767,604,383	(381,778,682)	4,385,825,701
Adjustment for –				
Interest expense				
on loans	2.1b(i)	259,475,530	876,534,833	1,136,010,363
Decrease in real estate				
inventories	2.1b(i)	2,409,017,134	<u>(494,756,151)</u>	1,914,260,983
			<u>-</u>	

(c) *Presentation of Consolidated Financial Statements*

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents consolidated statement of comprehensive income separate from the consolidated statement of profit or loss.

The Group presents a third consolidated statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(d) *Functional and Presentation Currency*

These consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 Adoption of Amended PFRS Accounting Standards

(a) Effective in 2024 that are Relevant to the Group

The Group adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flows, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	:	Leases – Liability in a Sale and Leaseback

Discussed below are the relevant information about these pronouncements.

- (i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*. The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Group's consolidated financial statements.
- (ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants*. The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the Group's consolidated financial statements.

- (iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the Group's consolidated financial statements.
- (iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The Group has no sale and leaseback transactions.

(b) *Effective Subsequent to 2024 but not Adopted Early*

There are new standards and amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and unless otherwise indicated, none of these are expected to have significant impact on the Group's consolidated financial statements:

- (i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)
- (ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.
- (iv) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company, and its subsidiaries, after the elimination of material intercompany transactions. The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

Acquired subsidiaries are accounted for using the acquisition method of accounting.

Acquired investment in associate is subject to the purchase method.

A joint venture pertains to a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint venture entity pertains to whose economic activities are controlled jointly by the Parent Company and by other venturers independent of the Parent Company (joint venturers).

The Group's investments in associates and a joint venture are accounted for under the equity method of accounting.

2.4 Financial Instruments

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Group commits to purchase or sell the asset).

(i) Classification, Measurement and Reclassification of Financial Assets

The Group's financial assets are all categorized as financial assets at amortized cost.

(ii) Impairment of Financial Assets

The expected credit losses (ECL) on receivables and contract assets are estimated by a probability weighted estimate of credit losses over the expected life of the financial assets. These assets are assessed for impairment on a collective basis based on shared credit risk characteristics.

For other financial assets, if the credit risk has not increased significantly since initial recognition, the Group measures and provides for credit losses that are expected to result from default events that are possible within 12-months after the end of the reporting period, except when there has been a significant increase in credit risk on the financial asset since initial recognition.

(b) Financial Liabilities

Financial liabilities include interest-bearing loans and borrowings, bonds payable, and trade and other payables [except government-related obligations, advance rental and output value-added tax (VAT)].

2.5 Non-current Assets Classified as Held for Sale

Non-current assets held for sale are measured at lower of their carrying amounts, immediately prior to their classification as held for sale, and their fair value costs to sell.

2.6 Business Combinations

Business acquisitions are accounted for using the acquisition method of accounting.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition, except for lease liabilities which are measured based on the present value of the remaining lease payments as if the acquired lease were a new lease at acquisition date and right-of-use assets which are measured at an amount equal to the recognized lease liability, adjusted to reflect favorable or unfavorable lease terms compared with market terms. For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment.

2.7 Real Estate Inventories

Costs of real estate inventories are assigned using specific identification of their individual costs.

The Group recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known. Any impairment loss from a real estate project is charged to operations during the period in which the loss is determined.

Repossessed property arising from sales cancellation is recognized at cost. The difference between the carrying amount of the contract balances to be derecognized and the cost of the repossessed property is recognized in the consolidated statement of profit or loss.

2.8 Property and Equipment

Property and equipment are carried at acquisition or construction cost less subsequent depreciation, amortization and any impairment losses.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets. The depreciation and amortization periods for property and equipment, based on the above policies, are as follows:

Buildings	20 years
Transportation equipment	5 years
Operating equipment	3-5 years
Furniture and fixtures	2-5 years

Leasehold improvements are amortized over their expected useful lives of five years (determined by reference to comparable assets owned) or the term of lease, whichever is shorter.

2.9 Investment Properties

Properties held for lease under operating lease agreements, which comprise mainly of land, buildings and condominium units, are classified as Investment Properties and carried at cost, net of accumulated depreciation and any impairment in value, except for land which is not subject to depreciation. Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives of the assets ranging from 20 to 50 years.

2.10 Revenue and Expense Recognition

Revenue comprises revenue from sale of real properties.

The Group develops real properties such as developed land, house and lot, and condominium units. The Group often enters into contracts to sell real properties as they are being developed. The significant judgment used in determining the timing of satisfaction of the Group's performance obligation with respect to its contracts to sell real properties is disclosed in Note 3.1(b). Sales cancellations are accounted for on the year of forfeiture. Any gain or loss on cancellation is charged to profit or loss.

- (a) *Real estate sales on pre-completed real estate properties* – Revenue from real estate sales is recognized over time proportionate to the progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development. Revenue recognized is presented as part of Sale of Real Estates in the consolidated statement of profit or loss.
- (b) *Real estate sales on completed real estate properties* – Revenue from real estate sales is recognized at point in time when the control over the real estate property is transferred to the buyer. Revenue recognized from real estate sales is presented as part of Sale of Real Estates in the consolidated statement of profit or loss.
- (c) *Rendering of management services* – Revenue from the rendering of management services is recognized over time as the services are provided to the client entities. The client entities are invoiced monthly as work progresses, which are also due upon receipt by them. Any amounts remaining unbilled at the end of a reporting period are presented in the consolidated statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due.
- (d) *Hotel operations* – Revenues are recognized over time during the occupancy of hotel guest and ends when the scheduled hotel room accommodation has lapsed (i.e., the related room services have been rendered). As applicable, invoices for hotel accommodations are due upon receipt by the customer.

For tax reporting purposes, a modified basis of computing the taxable income for the year based on collections from real estate sales is used by the Group.

Incremental costs of obtaining a contract to sell real property to customers are recognized as Deferred commissions and are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized. The Group presents Deferred commissions as part of Prepayment and Other Current Assets when it is expected to be expensed within 12 months after the balance sheet date. Any remaining balance is presented as part of Other Non-current Assets.

Other costs and expenses are recognized in profit or loss upon utilization of services or receipt of goods or at the date they are incurred. Finance costs are reported on an accrual basis except capitalized borrowing costs.

Under its contracts with customers, the Group recognizes Contract receivables, which is presented under Receivables account, when it has an unconditional right to payment for the total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Group as it develops the property are presented as Contract Assets in the consolidated statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Group assesses impairment of its financial assets [see Note 2.4(a)(ii)].

In determining the transaction price, the Company adjusts the contract price for the effects of time value of money when the timing of payments agreed to with the customer provides either party with a significant benefit of financing the transfer of goods or services to the customer. In buyer financing arrangements where buyer payments are ahead of the development of the sold property, the Company recognizes interest expense which is presented as part of Interest Income from Real Estate Sales in the statement of comprehensive income. Conversely, in seller financing arrangements where the development of the sold property is ahead of buyer payment terms, the Company recognizes interest income which is presented as part of Interest Income from Real Estate Sales in the statement of comprehensive income. The significant judgment used in determining the existence of a significant financing component in the contract is disclosed in Note 3.1(d).

Any consideration received by the Group in excess of the amount for which the Group is entitled is presented as Contract Liabilities in the consolidated statement of financial position.

2.11 Leases

(a) The Group as Lessee

Subsequent to initial recognition, the Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term which is two to years for offices and 19 to 36 years for land.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) The Group as Lessor

The Group applies judgment in determining whether a lease contract is a finance or operating lease.

2.12 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan and defined contribution plans, and other employee benefits.

The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, noncontributory, and administered by a trustee.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements.

(a) Determining Existence of a Contract with Customer

In a sale of real estate properties, the Group's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property sold is completed and ready for use by customer. In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as contract with the customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms). Moreover, as part of the evaluation, the Group assesses the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Group considers the significance of the customer's downpayment in relation to the total contract price [see Note 3.1(c)].

Collectability is also assessed by considering factors such as past history with the customer and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

(b) Evaluation of Timing of Satisfaction of Performance Obligations

The Group exercises critical judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time. In making this judgment, the Group considers the following:

- any asset created or enhanced as the Group performs;
- the ability of the customer to control such asset as it is being created or enhanced;
- the timing of receipt and consumption of benefits by the customer; and,
- the Group's enforceable right for payment for performance completed to date.

The Group determined that its performance obligation is satisfied over time since it does not have an alternative use of the specific property sold as it is precluded by its contract from redirecting the use of the property for a different purpose. Further, the Group has rights over payment for development completed to date as the Group can choose to complete the development and enforce its rights to full payment under its contracts even if the customer defaults on amortization payments.

On the other hand, performance obligation for completed real estate properties is satisfied at a point in time when the control over the real estate property is transferred to the buyer.

(c) *Determination of Collection Threshold for Revenue Recognition*

The Group uses judgment in evaluating the probability of collection of transaction price on real estate sales as a criterion for revenue recognition. The Group uses historical payment pattern of customers and number of sales cancellation in establishing a percentage of collection threshold over which the Group determines that collection of the transaction price is reasonably assured. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer when reaching the set collection threshold would demonstrate the buyer's commitment to pay the total contract price. Management is confident that when the collections received from the buyers exceed a certain threshold, it would be unlikely for the buyer to default and therefore, cancel the contract. Accordingly, the Group will not recognize the whole contract and no revenue will be recognized when the collection threshold is not yet reached.

(d) *Determination of the Existence of Significant Financing Component in the Contract*

The Group enters into real estate sales contracts offering various payment schemes to its customers. The timing of transaction price collection can significantly differ from the timing of the Group's fulfillment of its performance obligations. The Group exercises judgment in determining whether the contract terms provide a significant financing benefit to either the Group or its customers. This assessment is conducted at the inception of the contract, considering the contractual payment terms and the projected completion timeline of the related real estate development.

(e) *Assessment Involving Right of Return*

The Group's real estate sales under pre-completed contracts has variable consideration, which is the right of return when a buyer defaulted the equity payments. Moreover, Republic Act (R.A.) No. 6552, *Realty Installment Buyer Act* or, which is popularly known in the Philippines as the *Maceda Law*, provides a statutory obligation to the Group to refund the buyer the cash surrender value of the collections received on the property equivalent to 50% of the total collected amount, and, after five years of installment payments, an additional 5% every year but not to exceed 90% of the total collections received.

(f) *Determination of ECL on Receivables and Contract Assets*

The Group uses the cumulative loss rate approach to calculate ECL for receivables and contract assets. This approach considers and includes reasonable approximation of probable and estimable future losses determined by applying historical gross charge-off information (arising from cancellations and back-out sales) to forward-looking qualitative information (i.e., forecast of economic condition). While there may be an assessed default occurring in these receivables over the term of the instrument, the amount of required allowance for ECL is minimized since the legal title related to the unit sold will only be transferred once the contract receivable has been paid in full, and the Group has the right to recover the real estate properties covered by the contract with customer through repossession, and to resell the asset at an amount sufficient to cover the unpaid outstanding obligations.

On the other hand, additional ECL may be calculated for certain pool of trade receivables specifically determined to have expected cash shortfall based on outstanding exposures. These generally arise from receivables which were charged-off at an earlier term of the instrument since origination period.

Details about the ECL on the Group's receivables and contract assets are disclosed in Note 31.2.

(g) *Distinction Between Investment Properties and Owner-managed Properties*

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the operations.

(h) *Distinction Between Inventories and Investment Properties*

Real estate inventories comprise properties that are held for sale in the ordinary course of business. Meanwhile, investment properties comprise of land and buildings which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Group considers management's intention over these assets in making its judgment.

(i) *Evaluation of Change in Use for Transfers to or from Investment Properties*

The Group evaluates transfers of properties to or from its investment properties by carefully assessing changes in their use (see Notes 7 and 11). Such transfers are primarily driven by shifts in business plans, supported by tangible actions like obtaining necessary permits or preparing properties for sale. A change in management's intent alone is insufficient evidence to justify a transfer. Instead, the Group relies on objective and substantive indicators, considering all relevant facts and circumstances, to determine whether the properties meet the definition of the financial statement accounts. This judgment ensures that the classification aligns with the substance of the transactions and the Group's ordinary business activities.

(j) Distinction Between Operating and Finance Leases for Contracts where the Group is the Lessor

The Group has entered into various lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Currently, its leases are all operating leases.

(k) Distinction Between Joint Operations and Joint Ventures

The Group has entered into various joint arrangements. Critical judgment was exercised by management to distinguish each joint arrangement as either joint operations or joint ventures by looking at the rights and obligations held by an entity in relation to the arrangement.

(l) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of land and office space, the factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain not to terminate the lease contract. Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(m) Accounting for Equity Ownership Interest in Subsidiaries and Associates

In classifying its equity acquisitions as an investment in a subsidiary or associates, the Group evaluates whether control or significant influence exists. Control is present when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policy decisions.

Based on management's assessment, the Parent Company has control over MGR and El Camino despite having ownership interests of 45% and 35%, respectively, at the time of consolidation. This control is evidenced by its direction of relevant activities and decision-making power on the operations of these entities by virtue of agreements between the stockholders.

(n) *Determination of Joint Control of Arrangements and Type of Joint Arrangements*

Management has assessed that the Parent Company has joint control over CLI NUD notwithstanding that it owns more than 50% of the voting interests. This view is based on the contractual arrangement with the other shareholder requiring unanimous consent for all major decisions; hence, the Group has classified its initial 60% interest in CLI NUD as an investment in a joint venture (see Note 10.1). In making this decision, the Group considered the terms and conditions of the agreements, as well as the purpose and design of the joint arrangements.

Currently, the Parent Company is in the process of selling 30% of its 60% interest in CLI NUD (see Note 10.3). Should the planned disposal be completed, the investment will remain classified as a joint venture in the Group's consolidated financial statements. This reflects the ongoing joint control and the terms and conditions outlined in the shareholder agreements.

(o) *Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies. The disclosures on relevant contingencies are presented in Note 29.

(p) *Determination of Preferred Shares as Equity or Liability*

The Group exercises judgment in classifying its preferred shares as financial liabilities or equity instruments. In making this judgment, the Group considers the specific terms and conditions of the preferred shares, including redemption and dividend rights. Based on management's assessment, the preferred shares are classified as equity securities, as the Group has the discretion to defer the payments of principal and dividends indefinitely (see Note 27.1).

(q) *Evaluation of Non-current Assets as Non-current Assets Held for Sale*

The Group determines whether its non-current assets qualify as held for sale in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operation*. The key judgments made in this assessment include (a) the expected timing of the sale; (b) the likelihood of regulatory approvals required for the sale; and (c) the intention and clear commitment of management to sell the assets.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Revenue Recognition for Performance Obligations Satisfied Over Time

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Group measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

(b) Determination of Appropriate Discount Rate in Measuring Lease Liabilities

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(c) Determination of Appropriate Discount Rate in Measuring Significant Financing Component

When adjusting the consideration for significant financing component, an entity shall use the discount rate that would be reflected in a separate financing transaction at contract inception. Management considers the discount rate which would reflect the credit characteristics of the party receiving financing in the contract as well as any collateral or security provided by the customer or entity. Specifically, for contracts classified as 'seller financing' the Group bases its lending rate on the rate extended to buyers who utilize its in-house financing. This lending rate is adjusted to reflect the specific circumstances of each financing transaction.

For contracts classified as 'buyer financing', the Group estimates the discount rate using a borrowing rate that would be consistent with a separate financing transaction where the Group is considered the borrower.

(d) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Management also applies judgment in the estimation of the contractual cash flows due from counterparties that the Group would expect to receive from the realization of any credit enhancements, including the discounting factor for recoveries beyond one year.

Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 31.2.

(e) *Determination of Net Realizable Value of Real Estate Inventories*

In determining the net realizable value of real estate inventories, management takes into account the most reliable evidence available at the dates the estimates are made. The future realization of the carrying amounts of real estate inventory as presented in Note 7, is affected by price changes in the different market segments as well as the trends in the real estate industry. These are considered key sources of estimation uncertainty and may cause significant adjustments to the Group's real estate inventories within the next financial reporting period.

Considering the Group's pricing policy, the net realizable values of real estate inventories for sale are determined to be higher than their related costs.

(f) *Estimation of Useful Lives of Property and Equipment, Investment Properties and Right-of-use Assets*

The Group estimates the useful lives of property and equipment, investment properties and right-of-use assets based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property and equipment, right-of use assets, and investment properties are analyzed in Notes 11, 12 and 13, respectively. Based on management's assessment as at December 31, 2024 and 2023, there is no change in estimated useful lives of these assets during those periods. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned.

(g) *Impairment of Non-financial Assets*

The Group's Investment Properties, Property and Equipment and other non-financial assets are subject to impairment testing.

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Management assessed that no impairment loss is required to be provided on its significant non-financial assets, particularly property and equipment, right-of-use assets and investment properties, as at December 31, 2024, 2023 and 2022.

(b) *Valuation of Post-employment Defined Benefit Obligation*

The determination of the Group's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary rate increase. A significant change in any of these actuarial assumptions may generally affect the recognized expense and the carrying amount of the post-employment defined benefit obligation in the next reporting period.

The amounts of post-employment defined benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment defined benefit as well as the significant assumptions used in estimating such obligation are presented in Note 24.3.

(i) *Fair Value Measurement of Share Options*

The Group estimates the fair value of the share option by applying an option valuation model, taking into account the terms and conditions on which the share option was granted. The estimates and assumptions used are presented in Note 27.4, which include, among others, the option's time of expiration, applicable risk-free interest rate, expected dividend yield, volatility of the Parent Company's share price. Changes in these factors can affect the fair value of share options at grant date.

Details of employee share option plan and the amount of fair value recognized is presented in Note 27.4.

(j) *Fair Value Measurement for Investment Properties*

Investment properties are measured using the cost model. The fair value of investment property held for capital appreciation and to earn rental income disclosed in the consolidated financial statements is determined by the Group based on the appraisal reports of a professional and independent appraiser.

The fair value is determined by reference to market-based evidence, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Such amount is influenced by different factors including the location and specific characteristics of the property, quantity of comparable properties in the market, and economic condition and behavior of the buying parties. A significant change in these elements may affect prices and the value of the assets being disclosed.

The fair value the Group's investment properties as at December 31, 2024 and 2023 is disclosed in Notes 13 and 32.3(c).

4. SEGMENT INFORMATION

4.1 Business Segments

The Group's operating segments are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group's real estate segment covers the development and sale of residential and office units to individual and corporate buyers. The rental segment includes leasing of office and commercial spaces to corporate organizations. The management services segment focuses on the management of real estate projects and upkeep services to condominium corporations and housing associations. The hotel operations segment relates to the management of hotel business operations that caters hotel guest.

The Group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

4.2 Segment Reporting

In identifying its operating segments, management generally follows the Group's products and service lines, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

For management purposes, the Group uses the same measurement policies as those used in its consolidated financial statements, except that the following are not included in arriving at the operating profit of the operating segments:

- post-employment benefit expenses;
- expenses relating to share-based payments;
- research costs relating to new business activities; and,
- revenue, costs and fair value gains from investment property.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

4.3 Segment Assets and Liabilities

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash, receivables, real estate inventories, property and equipment, and investment properties, net of allowances and provisions. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities. Segment assets and segment liabilities do not include deferred taxes.

4.4 Intersegment Transactions

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation, if any.

4.5 Analysis of Segment Information

The following tables present revenue and profit information regarding industry segments for the years ended December 31, 2024, 2023 and 2022 and certain assets and liabilities information regarding segments as at December 31, 2024, 2023 and 2022:

(Amounts in PHP)	2024				
	Real Estate	Rental	Management Services	Hotel Operations	Total
REVENUES					
Sale to external customer	19,058,529,919	162,412,193	63,932,835	240,468,442	19,525,343,389
Intersegment sales	27,390,264	10,565,044	179,051,469	160,823	217,167,600
Total revenues	19,085,920,183	172,977,237	242,984,304	240,629,265	19,742,510,989
COSTS AND EXPENSES					
Costs of sales and services excluding depreciation and amortization	9,085,057,643	-	43,189,532	160,116,973	9,288,364,148
Operating expenses excluding depreciation and amortization	2,835,464,497	14,317,785	16,731,716	226,690,747	3,093,204,745
Depreciation and amortization	94,548,094	67,864,232	19,977	13,086,857	175,519,160
Impairment loss	-	-	566,025	-	566,025
Total costs and expenses	12,015,070,234	82,182,017	60,507,250	399,894,577	12,557,654,078
FINANCE COST (INCOME)					
Interest expense on:					
Loans	1,954,196,887	16,169,279	-	1,061,319	1,971,427,485
Bond	131,374,423	-	-	-	131,374,423
Lease liabilities	68,011,157	-	-	13,986,543	81,997,700
Interest income on banks	(20,210,061)	(159,218)	(5,533)	(207,611)	(20,582,423)
Total finance cost (income)	2,133,372,406	16,010,061	(5,533)	14,840,251	2,164,217,185
SEGMENT PROFIT (LOSS) BEFORE TAX	4,937,477,543	74,785,159	182,482,588	(174,105,563)	5,020,639,727
ASSETS AND LIABILITIES					
Segment assets	99,282,879,245	18,976,336,604	149,591,227	2,798,428,542	121,207,235,618
Segment liabilities	72,022,526,371	82,779,598	120,034,121	2,363,856,285	74,589,196,375
Non-current asset held for sale	237,832,347	-	-	-	237,832,347
2023 (As Restated – see Note 2)					
(Amounts in PHP)	Real Estate	Rental	Management Services	Hotel Operations	Total
Revenues					
Sale to external customer	18,508,302,086	112,343,856	59,216,126	138,551,300	18,818,413,368
Intersegment sales	(250,714)	17,808,753	172,903,762	-	190,461,801
Total revenues	18,508,051,372	130,152,609	232,119,888	138,551,300	19,008,875,169
COSTS AND EXPENSES					
Costs of sales and services excluding depreciation and amortization	8,230,066,891	771,352	31,403,825	54,607,458	8,316,849,526
Operating expenses excluding depreciation and amortization	2,532,762,062	10,037,973	20,806,625	120,067,486	2,683,674,146
Depreciation and amortization	88,661,778	85,950,388	26,454	12,272,531	186,911,151
Impairment loss	-	-	-	432,793	432,793
Total costs and expenses	10,851,490,731	96,759,713	52,236,904	187,380,268	11,187,867,616
FINANCE COST (INCOME)					
Interest expense on:					
Loans	2,202,639,676	3,236,270	-	-	2,205,875,946
Bonds	66,856,868	-	-	-	66,856,868
Lease liabilities	-	66,164,357	-	14,002,943	80,167,300
Interest income on banks	(13,466,493)	(95,293)	(3,790)	(309,123)	(13,874,699)
Total finance cost (income)	2,256,030,051	69,305,334	(3,790)	13,693,820	2,339,025,415
SEGMENT PROFIT (LOSS) BEFORE TAX	5,400,530,590	(35,912,438)	179,886,774	(62,522,788)	5,481,982,138
ASSETS AND LIABILITIES					
Segment assets	90,394,557,612	18,083,475,472	124,577,602	2,207,726,408	110,810,337,094
Segment liabilities	71,364,917,730	60,997,437	102,698,177	1,665,906,004	73,194,519,348

(Amounts in PHP)	2022 (As Restated – see Note 2)				
	Real Estate	Rental	Management Services	Hotel Operations	Total
Revenues					
Sale to external customer	15,439,136,362	79,277,559	55,465,803	83,418,279	15,657,298,003
Intersegment sales	4,451,344	6,553,177	144,248,732	-	155,253,253
Total revenues	15,443,587,706	85,830,736	199,714,535	83,418,279	15,812,551,256
COSTS AND EXPENSES					
Costs of sales and services excluding depreciation and amortization	7,791,695,231	-	24,274,537	32,688,802	7,848,658,570
Operating expenses excluding depreciation and amortization	2,210,563,101	9,081,245	2,803,398	60,496,434	2,282,944,178
Depreciation and amortization	73,939,300	84,637,886	46,111	12,003,365	170,626,662
Impairment loss	-	-	1,208,773	646,782	1,855,555
Total costs and expenses	10,076,197,632	93,719,131	28,332,819	105,835,383	10,304,084,965
FINANCE COST (INCOME)					
Interest expense on:					
Loans	1,134,046,607	1,963,756	-	-	1,136,010,363
Bonds	15,444,620	-	-	-	15,444,620
Lease liabilities	75,629,879	-	-	-	75,629,879
Interest income on banks	(14,413,904)	(107,185)	(10,166)	(133,624)	(14,664,879)
Total finance cost (income)	1,210,707,202	1,856,571	(10,166)	(133,624)	1,212,419,983
SEGMENT PROFIT (LOSS) BEFORE TAX	4,156,682,872	(9,744,966)	171,391,882	(22,283,480)	4,296,046,308

The segments are further analyzed based on their geographical location as shown in Note 18.1.

Sales to any of the Group's major customers did not exceed 10% of the Group's revenues in all of the years presented.

4.6 Reconciliation

Following is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements.

(Amounts in PHP)	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
Revenues			
Total segment revenues	19,742,510,989	19,008,875,169	15,812,551,256
Elimination of intersegment revenues	(217,167,600)	(190,461,801)	(155,253,253)
Revenues as reported in profit or loss	19,525,343,389	18,818,413,368	15,657,298,003
Profit or loss			
Segment profit before tax	5,020,640,727	5,481,982,138	4,296,046,308
Other operating income	452,169,850	410,779,779	202,542,753
Adjustments for intersegment accounts	(217,018,757)	(193,532,942)	(95,180,508)
Share in net loss in associates	(2,879,180)	(12,570,144)	(9,505,354)
Other losses - net	(25,133,336)	(3,809,681)	(8,077,498)
Profit before tax as reported in profit or loss	5,227,779,304	5,682,849,150	4,385,825,701

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)
Assets		
Segment assets	121,207,235,618	110,810,337,094
Non-current assets held for sale	237,832,347	-
Elimination of intercompany accounts	<u>(12,442,543,123)</u>	<u>(10,362,262,775)</u>
Total assets as reported in the consolidated statements of financial position	<u>109,002,524,842</u>	<u>100,448,074,319</u>
Liabilities		
Segment liabilities	74,589,196,375	73,194,519,348
Deferred tax liabilities	5,752,987,226	5,023,279,337
Elimination of intercompany accounts	<u>(1,645,778,164)</u>	<u>(1,222,835,443)</u>
Total liabilities as reported in the consolidated statements of financial position	<u>78,696,405,437</u>	<u>76,994,963,242</u>

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as at December 31:

<i>(Amounts in PHP)</i>	2024	2023
Cash on hand	5,803,968	4,365,735
Cash in banks	1,351,646,121	864,263,028
Short-term placements	<u>225,788,906</u>	<u>45,212,443</u>
	<u>1,583,238,995</u>	<u>913,841,206</u>

Cash in banks (savings and demand deposits) generally earn interest based on daily bank deposit rates. Short-term placements are made for varying period from 14 to 60 days and earn effective interest ranging from 1.5% to 5.6% per annum in 2024, ranging from 3.0% to 3.5% per annum in 2023, and ranging from 0.8% to 4.23% per annum in 2022.

Interest income earned from cash and cash equivalents are presented as part of Finance Income in the consolidated statements of profit or loss (see Note 23).

6. RECEIVABLES

This account includes the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Contract receivables:			
Third parties		2,547,380,421	1,548,388,979
Related parties	26.2, 26.3 26.4	1,083,735,784	685,584
Receivable from contractors and suppliers		249,943,611	156,616,742
Retention receivable		228,839,768	132,973,570
Management fee receivable		151,382,428	111,340,567
Rent receivable		90,307,660	71,548,690
Advances to officers and employees		50,171,519	37,927,664
Receivable from hotel operations customers		31,563,871	8,510,578
Receivable from insurance		9,473,355	77,373,832
Other receivables		169,390,622	106,109,124
		4,612,189,039	2,251,475,330
Allowance for impairment	31.2(c)	(2,436,656)	(2,242,262)
		<u>4,609,752,383</u>	<u>2,249,233,068</u>

Receivables are presented in the consolidated statements of financial position as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Current	4,481,590,912	2,093,139,231
Non-current	128,161,471	156,093,837
	<u>4,609,752,383</u>	<u>2,249,233,068</u>

Buyers of real estate properties are given two to four years to complete the equity amortization, which ranges from 10% to 30% of the contract price of the real estate being purchased. Contract receivables, which are all covered by postdated checks, are only recognized when the collection of total transaction price is reasonably assured and the corresponding revenue is recognized. Generally, full payment by buyers of their equity amortization is followed by full settlement by the buyer's chosen financing institution of the buyer's account within 12 months. Title to real estate properties are transferred to the buyers once full payment has been made. Hence, contract receivables are fully secured by the real properties acquired by buyers.

Long-term contract receivables, which are noninterest-bearing, are receivables from buyers whose equity payments are expected to be fully paid after 12 months following the end of the reporting period. These are measured at amortized cost, which is determined by discounting future cash flows using the applicable rates of similar types of instruments. The aggregate unamortized discount on noninterest-bearing contract receivables amounts to P7,975,990 and P5,309,083 as at December 31, 2024 and 2023, respectively.

The Parent Company has day-one loss on noninterest-bearing contract receivables, net of amortization of day one loss, amounting to P2,666,907, P3,751,672 and P257,332, and is presented as part of Finance Costs in the 2024, 2023 and 2022 consolidated statements of profit or loss, respectively (see Note 22).

Retention receivable represents amounts retained by Home Development Mutual Fund (HDMF) from the proceeds of loans availed by real estate buyers in accordance with HDMF Circular No. 182-A to pay off their obligations to the Group.

Advances to officers and employees are composed of advances intended for the Group's operations and are subject to liquidation.

Receivable from insurance pertains to outstanding claims filed with various insurance companies in relation to damages incurred to the insured properties of the Group.

The Group assesses an ECL when the receivables from contract with customers and other counterparties are initially recognized and updates the assessment at each reporting date based on the analysis determined by management. A reconciliation of the allowance for impairment at the beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	2,242,262	1,809,469
Impairment losses	566,025	432,793
Write-off	(371,631)	-
Balance at end of year	<u>2,436,656</u>	<u>2,242,262</u>

7. REAL ESTATE INVENTORIES

This account includes the following inventories, which are all at cost.

<i>(Amounts in PHP)</i>	Note	2024	2023 (As Restated – see Note 2)
Condominium units		705,579,267	400,467,121
Subdivision units		33,349,096	470,257,538
		<u>738,928,363</u>	<u>870,724,659</u>
Construction-in-progress (CIP):			
Land development costs		6,621,084,590	9,578,671,537
Condominium building costs		3,141,894,900	4,200,650,987
Housing costs		1,723,334,448	1,627,403,712
		<u>11,486,313,938</u>	<u>15,406,726,236</u>
Raw land inventory	8	854,851,112	777,830,756
		<u>13,080,093,413</u>	<u>17,055,281,651</u>

An analysis of the cost of real estate inventory included in cost of sales is presented in Note 19.

Land development costs pertain to the cost of land acquisition, and site development costs of horizontal projects and other future site projects of the Group.

Condominium building costs consist of the cost of land and the cost to construct the units of the vertical projects of the Group. Housing costs pertain to the cost of house construction for the horizontal projects of the Group.

Raw land inventory consists of parcels of land owned by the Group in various locations. These are expected to be developed into saleable condominium or subdivision units.

In 2024 and 2023, the Group reclassified certain investment properties to real estate inventories (see Note 13). In 2023, the Group reclassified certain real estate inventories to property and equipment (see Note 11).

In 2023, the Group reclassified deposits on land for future development to raw land inventory, i.e., applied as part of the payment for the land acquisitions that were consummated during the reporting period (see Note 8). There was no similar transaction in 2024.

As at December 31, 2024 and 2023, real estate inventories totaling to P8,603,226,955 and P7,794,550,414, respectively, are used as collateral for certain interest-bearing loans and borrowings of the Parent Company (see Note 15.1).

Based on management's assessment, there is no allowance for inventory write-down required to be recognized in 2024, 2023, and 2022; hence, inventories are recorded at cost as at December 31, 2024 and 2023.

8. DEPOSITS ON LAND FOR FUTURE DEVELOPMENT

Deposits on land for future development pertains to advance payments for acquisitions of certain parcels of land which are intended for future development into saleable real estate projects. A reconciliation of the deposits on land for future development is presented below.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year		15,000,000	129,996,729
Transferred to raw land inventory	7	(15,000,000)	(464,499,188)
Additions		<u>-</u>	<u>349,502,459</u>
Balance at end of year		<u><u>-</u></u>	<u><u>15,000,000</u></u>

The deposits on land for future development is presented as current assets in the 2023 consolidated statement of financial position.

9. PREPAYMENTS AND OTHER CURRENT ASSETS

This account includes the following:

<i>(Amounts in PHP)</i>	Note	2024	2023
Advances to subcontractors		2,584,276,483	1,979,370,709
Input VAT and deferred input VAT		1,603,401,411	1,555,489,960
Deferred commissions	18.2	1,457,932,918	1,645,513,898
Prepaid taxes		680,803,508	454,631,300
Advances to suppliers		581,094,314	537,191,493
Short-term investments		344,058,432	200,838,362
Prepaid expenses		94,807,103	51,509,612
Others		15,037,722	9,621,327
		7,361,411,891	6,434,166,661

Advances to subcontractors include advance payments for materials, payment of labor and overhead expenses for on-going construction of subdivision and condominium units for sale. These are applied against the progress billings of subcontractors and are classified as current assets as it is related to projects for sale.

Short-term investments pertain to escrow funds that are required to be set up in relation to the Group's compliance with the regulatory requirements for issuance of license to sell, and are restricted for use in the Group's operations. The escrow funds is significantly comprised of investments in treasury bills with maturity dates of up to 12 months, earning effective interest ranging from 5.0% to 6.5% and 3.5% to 6.5% per annum in 2024 and 2023, respectively. This is presented as part of Interest income on banks under Finance Income in the consolidated statements of profit or loss (see Note 23).

Prepaid expenses include advance payment for insurance and rent.

10. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE/ NON-CURRENT ASSET HELD FOR SALE (NCAHFS)

10.1 Breakdown of Carrying Amounts

A reconciliation of the carrying amounts of investments in associates at the beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	142,489,432	133,559,576
Additional investments	10,000,000	21,500,000
Share in net gain (loss) during the year	16,607	(12,570,144)
Balance at end of year	152,506,039	142,489,432

A reconciliation of the carrying amount of investment in a joint venture (CLI NUD) in 2024 is shown below.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>
Initial investments		873,107,116
Reclassification to NCAHFS	10.3	(237,832,347)
Share in net loss during the year		<u>(2,895,787)</u>
Balance at end of year		<u>632,378,982</u>

As of December 31, 2024, the Company has total commitment to contribute capital to the joint venture amounting to P3,847,604,762, of which P873,107,116 has been paid.

The Group has no contingent liabilities related to the joint venture, nor has it assessed the probability of loss arising from contingent liabilities as remote.

An analysis of the carrying amount of the Parent Company's investments in associates and a joint venture as at December 31, 2024 and 2023 is shown below and in the succeeding page.

<i>(Amounts in PHP)</i>	<u>Associates</u>			<u>Join Venture</u>	<u>Total</u>
	<u>IGCC</u>	<u>Magspeak</u>	<u>ICOM</u>	<u>CLI NUD</u>	
December 31, 2024					
Cost					
Balance at beginning of year	8,500,000	30,735,096	130,300,934	-	169,536,030
Additional investments	-	-	10,000,000	873,107,116	883,107,116
Reclassification to NCAHFS	-	-	-	(237,832,347)	(237,832,347)
Balance at end of year	<u>8,500,000</u>	<u>30,735,096</u>	<u>140,300,934</u>	<u>635,274,769</u>	<u>814,810,799</u>
Accumulated equity in net losses					
Balance at beginning of year	-	(3,820,692)	(23,225,906)	-	(27,046,598)
Equity in net gains (losses) during the year	<u>(1,231,930)</u>	<u>(697,140)</u>	<u>1,945,677</u>	<u>(2,895,787)</u>	<u>(2,879,180)</u>
Balance at end of year	<u>(1,231,930)</u>	<u>(4,517,832)</u>	<u>(21,280,229)</u>	<u>(2,895,787)</u>	<u>(29,925,778)</u>
Carrying Amount	<u>7,268,070</u>	<u>26,217,264</u>	<u>119,020,705</u>	<u>632,378,982</u>	<u>784,885,021</u>
December 31, 2023					
Cost					
Balance at beginning of year	-	25,735,096	122,300,934	-	148,036,030
Additional investments	<u>8,500,000</u>	<u>5,000,000</u>	<u>8,000,000</u>	<u>-</u>	<u>21,500,000</u>
Balance at end of year	<u>8,500,000</u>	<u>30,735,096</u>	<u>130,300,934</u>	<u>-</u>	<u>169,536,030</u>
Accumulated equity in net losses					
Balance at beginning of year	-	(2,838,295)	(11,638,159)	-	(14,476,454)
Equity in net losses during the year	<u>-</u>	<u>(982,394)</u>	<u>(11,587,750)</u>	<u>-</u>	<u>(12,570,144)</u>
Balance at end of year	<u>-</u>	<u>(3,820,689)</u>	<u>(23,225,909)</u>	<u>-</u>	<u>(27,046,598)</u>
Carrying Amount	<u>8,500,000</u>	<u>26,914,407</u>	<u>107,075,025</u>	<u>-</u>	<u>142,489,432</u>

10.2 Summarized Financial Information

The aggregated amounts of assets, liabilities and equity are as follows:

<i>(Amounts in PHP)</i>	<u>Current Assets</u>	<u>Non-current Assets</u>	<u>Current Liabilities</u>	<u>Non-current Liabilities</u>	<u>Equity</u>
December 31, 2024					
Associates:					
Magspeak	18,230,592	87,521,716	1,063,085	-	104,689,224
ICOM	38,542,335	279,444,615	53,931,217	-	264,055,733
IGCC	17,101,340	-	-	-	17,101,340
Joint Venture –					
CLI NUD	2,434,325,618	-	252,391,309	-	2,181,934,309
	<u>2,508,199,885</u>	<u>366,966,331</u>	<u>307,385,611</u>	<u>-</u>	<u>2,567,780,606</u>
December 31, 2023					
Associates:					
Magspeak	18,071,989	86,274,189	2,287,827	1,830,565	100,227,786
ICOM	33,763,138	292,523,319	3,138,099	87,942,100	235,206,258
IGCC	8,500,000	-	-	-	8,500,000
	<u>60,335,127</u>	<u>378,797,508</u>	<u>5,425,926</u>	<u>89,772,665</u>	<u>343,934,044</u>

The aggregated amounts of revenues, net loss, other comprehensive loss are as follows:

<i>(Amounts in PHP)</i>	<u>Revenues</u>	<u>Net Loss</u>	<u>Other Comprehensive Income</u>	<u>Total Comprehensive loss</u>
2024				
Associates:				
Magspeak	-	(2,788,562)	-	(2,788,562)
ICOM	13,251,669	(19,465,017)	-	(19,465,017)
IGCC	-	(2,901,669)	-	(2,901,669)
Joint Venture –				
CLI NUD	-	(9,652,627)	-	(9,652,627)
2023				
Associates:				
Magspeak		(3,929,611)	-	(3,929,611)
ICOM	12,452,209	(32,839,961)	-	(20,387,752)
IGCC	-	-	-	-
2022				
Associates:				
Magspeak	-	(4,934,527)	-	(4,934,527)
ICOM	14,448,415	(24,360,430)	-	(9,912,015)

The reconciliation of the summarized financial information to the carrying amount of the interest in associates are as follows:

<i>(Amounts in PHP)</i>	<u>IGCC</u>	<u>Associates Magspeak</u>	<u>ICOM</u>	<u>Join Venture CLI NUD</u>	<u>Total</u>
2024					
Net assets at end of year	17,101,340	104,689,224	264,055,733	2,181,934,309	
Proportion of equity interest by the Parent Company	43%	25%	33%	30%	
Parent Company's share in the net assets of the Associates	7,268,070	26,217,264	87,930,559	632,378,982	
Other stockholders' unpaid subscription	-	-	31,090,146	-	
Carrying amount of investment	<u>7,268,070</u>	<u>26,217,264</u>	<u>119,020,705</u>	<u>632,378,982</u>	<u>784,885,021</u>
2023					
Net assets at end of year	8,500,000	100,227,786	235,206,258	-	
Proportion of equity interest by the Parent Company	43%	25%	33%	-	
Parent Company's share in the net assets of the Associates	3,655,000	25,056,947	77,618,065	-	
Other stockholders' unpaid subscription	4,845,000	1,857,460	29,456,960	-	
Carrying amount of investment	<u>8,500,000</u>	<u>26,914,407</u>	<u>107,075,025</u>	<u>-</u>	<u>142,489,432</u>

The shares in net losses of associates totaling P6,488,717, P12,570,144, and P9,505,354 were recognized in 2024, 2023 and 2022, respectively, in the consolidated statements of profit or loss.

There were no dividends received from the Group's associates and joint venture in 2024, 2023 and 2022.

10.3 Non-current Asset Held for Sale

On November 21, 2024, the BOD approved the Parent Company's intent to sell its 30% shares in CLI NUD to ABS to share the risks and significant capital commitment involved in the joint venture, as permitted under the joint arrangement. The sale of shares is expected to be completed in the third quarter of 2025 at the original subscription price.

As a result, the management assessed that the 30% interest in CLI NUD would be recovered through a sale transaction rather than continuing use; hence, was accounted for in accordance with PFRS 5. The carrying amount of the investment amounting to P237,832,347, which is lower than its fair value less cost to sell, was presented as Non-current Asset Held for Sale in the 2024 consolidated statement of financial position and was presented under the Real Estate segment in Note 4.5. The Group did not recognize any losses in relation to this transaction in 2024.

11. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	Land	Building and Parking Units	Operating Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
December 31, 2024								
Cost	359,058,133	587,072,012	139,391,197	72,666,172	50,423,434	16,842,695	8,297,124,208	9,522,577,851
Accumulated depreciation and amortization	-	(166,872,520)	(87,424,493)	(50,595,646)	(38,794,942)	(13,537,852)	-	(357,225,453)
Net carrying amount	359,058,133	420,199,492	51,966,704	22,070,526	11,628,492	3,304,843	8,297,124,208	9,165,352,398
December 31, 2023								
Cost	359,058,133	512,706,244	125,131,130	60,827,521	50,499,782	14,587,797	6,420,474,335	7,543,284,942
Accumulated depreciation and amortization	-	(142,131,917)	(69,747,528)	(47,766,743)	(33,152,170)	(8,590,912)	-	(301,389,270)
Net carrying amount	359,058,133	370,574,327	55,383,602	13,060,778	17,347,612	5,996,885	6,420,474,335	7,241,895,672
December 31, 2022								
Cost	359,058,133	401,375,877	111,382,859	57,015,172	40,459,135	14,547,842	4,077,078,853	5,060,917,871
Accumulated depreciation and amortization	-	(117,269,272)	(53,078,326)	(42,285,966)	(27,932,433)	(6,619,424)	-	(247,185,421)
Net carrying amount	359,058,133	284,106,605	58,304,533	14,729,206	12,526,702	7,928,418	4,077,078,853	4,813,732,450

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2024, 2023 and 2022 is as follows:

<i>(Amounts in PHP)</i>	Land	Building and Parking Units	Office Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
Balance at January 1, 2024 net of accumulated depreciation and amortization	359,058,133	370,574,327	55,383,602	13,060,778	17,347,612	5,996,885	6,420,474,335	7,241,895,672
Additions	-	39,961,382	13,907,311	16,872,820	784,664	-	1,910,794,440	1,982,320,617
Reclassifications	-	36,680,110	807,220	334	(829,996)	-	(34,144,567)	2,513,101
Disposals	-	-	(26,008)	(1,345,690)	-	-	-	(1,371,698)
Depreciation and amortization for the year	-	(27,016,327)	(18,105,421)	(6,517,716)	(5,673,788)	(2,692,042)	-	(60,005,294)
Balance at December 31, 2024 net of accumulated depreciation and amortization	359,058,133	420,199,492	51,966,704	22,070,526	11,628,492	3,304,843	8,297,124,208	9,165,352,398
Balance at January 1, 2023 net of accumulated depreciation and amortization	359,058,133	284,106,605	58,304,533	14,729,206	12,526,702	7,928,418	4,077,078,853	4,813,732,450
Additions	-	97,747,164	13,857,110	4,359,670	10,040,647	39,955	2,343,395,482	2,469,440,028
Reclassifications	-	13,583,203	-	-	-	-	-	13,583,203
Disposals	-	-	(33,884)	(547,321)	-	-	-	(581,205)
Depreciation and amortization for the year	-	(24,862,645)	(16,744,157)	(5,480,777)	(5,219,737)	(1,971,488)	-	(54,278,804)
Balance at December 31, 2023 net of accumulated depreciation and amortization	359,058,133	370,574,327	55,383,602	13,060,778	17,347,612	5,996,885	6,420,474,335	7,241,895,672
Balance at January 1, 2022 net of accumulated depreciation and amortization	140,896,820	211,174,827	50,934,510	20,149,810	12,952,967	7,755,750	471,807,019	915,671,703
Additions	218,161,313	55,888,147	19,701,024	1,604,275	3,727,247	2,033,115	2,336,303,706	2,637,418,827
Disposal	-	-	(56,627)	(858,046)	-	-	-	(914,673)
Reclassification	-	32,066,847	-	-	-	-	1,268,968,128	1,301,034,975
Depreciation and amortization for the year	-	(15,023,216)	(12,274,374)	(6,166,833)	(4,153,512)	(1,860,447)	-	(39,478,382)
Balance at December 31, 2022 net of accumulated depreciation and amortization	359,058,133	284,106,605	58,304,533	14,729,206	12,526,702	7,928,418	4,077,078,853	4,813,732,450

Construction in progress pertains to costs incurred by the Group, including applicable borrowing costs, in relation to its ongoing development of its hotels and resorts which are expected to be completed on dates ranging from 2025 to 2027. These assets are not depreciated until such time they are completed and available for use.

Depreciation and amortization expense on property and equipment is presented as part of Operating Expenses in the consolidated statements of profit or loss (see Note 20).

The Group reclassified real estate inventory and investment property to Building with carrying amount of P2,200,601 and P312,500, respectively in 2024, and P13,080,557 and P502,646, respectively, in 2023. These properties are currently being used as staff houses for the Group's employees.

Borrowing costs that are capitalized as part of property and equipment amounted to P814,000,895 and P572,141,966 in 2024 and 2023, respectively, which represents the allocated costs incurred on loans and corporate notes obtained to fund the construction projects (see Note 15). The capitalization rate used for the borrowings ranges from 5.50% to 9.50% and from 5.00% to 9.25% in 2024 and 2023, respectively.

Certain land, building, office equipment, furniture and fixtures and construction in progress with an aggregate carrying amount of P8,192,601,799 and P6,404,580,614 as at December 31, 2024 and 2023, respectively, are used as collateral for certain interest-bearing loans of the Group (see Note 15.1).

As at December 31, 2024 and 2023, the cost of the Group's fully-depreciated property and equipment that are still used in operations amounted to P128,005,577 and P119,631,379, respectively.

12. LEASES

The Group entered into lease contracts, as lessee, for leases of land and office spaces. With the exception of short-term leases and leases of low-value underlying assets, each lease is presented in the consolidated statements of financial position as Right-of-use Assets and the corresponding obligation, as Lease Liabilities. Variable lease payments, which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term.

Under the lease contracts, the Group is prohibited from selling or pledging the underlying leased assets as security. For the lease of an office space, the Group must keep the related property in a good state of repair and return the property in good state at the end of the lease. For the lease on the land, the Group must insure all the improvements made on the property.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the 2024 and 2023 consolidated statement of financial position.

	<u>Number of right-of-use assets leased</u>	<u>Lease term</u>	<u>Number of leases with extension option</u>	<u>Number of leases with purchase option</u>	<u>Number of leases with termination option</u>
December 31, 2024					
Land	4	19 to 36 years	-	-	-
Office space	2	2 years	1	-	1
December 31, 2023					
Land	4	20 to 37 years	-	-	-
Office space	2	2 to 4 years	1	-	1

12.1 Right-of-use Assets

The carrying amounts of the Group's right-of-use assets as at December 31, 2024 and 2023 and the movements during the year are shown as follows:

<i>(Amounts in PHP)</i>	<u>Land</u>	<u>Office Space</u>	<u>Total</u>
2024			
Cost			
Balance at beginning of year	1,263,032,633	15,877,921	1,278,910,554
Additions	5,176,039	-	5,176,039
Balance at end of year	<u>1,268,208,672</u>	<u>15,877,921</u>	<u>1,284,086,593</u>
Accumulated amortization			
Balance at beginning of year	137,528,364	11,776,783	149,305,147
Amortization for the year	37,469,101	2,809,188	40,278,289
Balance at end of year	<u>174,997,465</u>	<u>14,585,971</u>	<u>189,583,436</u>
Carrying amount at December 31	<u>1,093,211,207</u>	<u>1,291,950</u>	<u>1,094,503,157</u>
2023			
Cost			
Balance at beginning of year	1,262,756,727	15,877,921	1,278,634,648
Amendment of lease contract	275,906	-	275,906
Balance at end of year	<u>1,263,032,633</u>	<u>15,877,921</u>	<u>1,278,910,554</u>
Accumulated amortization			
Balance at beginning of year	102,160,939	8,424,304	110,585,243
Amortization for the year	35,367,425	3,352,479	38,719,904
Balance at end of year	<u>137,528,364</u>	<u>11,776,783</u>	<u>149,305,147</u>
Carrying amount at December 31	<u>1,125,504,269</u>	<u>4,101,138</u>	<u>1,129,605,407</u>

12.2 Lease Liabilities

Lease liabilities presented in the consolidated statements of financial position as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Current	57,922,896	55,717,884
Non-current	<u>1,233,425,726</u>	<u>1,207,138,171</u>
	<u>1,291,348,622</u>	<u>1,262,856,055</u>

The Group is fully liable for the rentals on the remaining term of the lease of office space, including any interest, penalties, utility charges and damages for termination prior to expiration of the contract. The contracts of lease on land does not provide for any future lease termination and extension options.

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities are presented below.

<i>(Amounts in PHP)</i>	2024	2023
Gross payments		
Within one year	57,922,896	55,717,884
From one to two years	70,800,153	57,294,654
From two to three years	72,544,815	70,139,485
From three to four years	74,282,070	72,023,308
From four to five years	76,344,330	74,496,654
More than five years	3,476,206,634	3,548,425,975
	3,828,100,898	3,878,097,960
Total finance charges	(2,536,752,276)	(2,615,241,905)
Net present value	1,291,348,622	1,262,856,055

12.3 Lease Payments Not Recognized as Liabilities

The Group has elected not to recognize a lease liability for short-term leases or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred. The expense relating to short-term leases and low-value assets is presented as Rent under Operating Expenses in the consolidated statements of profit or loss (see Note 20).

12.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P53,505,133, P54,646,634 and P17,574,742 in 2024, 2023 and 2022, respectively (see Note 34). The interest expense in relation to the lease liabilities are presented as part of Interest expense on lease liabilities under Finance Costs in the consolidated statement of profit or loss (see Note 22).

13. INVESTMENT PROPERTIES

The Group's investment properties include parcels of land held for development of properties, condominium units and retail building for lease. The gross carrying amounts and accumulated depreciation of investment properties at the beginning and end of 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	Retail Building	Condominium Units	Parking Units	Land	Constructions in Progress	Total
December 31, 2024						
Costs	1,345,643,285	912,472,958	119,341,334	2,848,655,534	14,610,241,391	19,836,354,502
Accumulated depreciation	(183,362,002)	(184,792,801)	(23,202,616)	-	-	(391,357,419)
Carrying amount	1,162,281,283	727,680,157	96,138,718	2,848,655,534	14,610,241,391	19,444,997,083
December 31, 2023						
Costs	1,353,024,478	912,472,958	121,565,022	2,682,185,384	13,589,390,602	18,658,638,444
Accumulated depreciation	(147,637,420)	(157,211,650)	(19,774,721)	-	-	(324,623,791)
Carrying amount	1,205,387,058	755,261,308	101,790,301	2,682,185,384	13,589,390,602	18,334,014,653
December 31, 2022						
Costs	1,312,033,280	910,086,051	122,067,668	2,682,185,384	12,961,598,553	17,987,970,936
Accumulated depreciation	(98,114,489)	(126,885,260)	(13,673,654)	-	-	(238,673,403)
Carrying amount	1,213,918,791	783,200,791	108,394,014	2,682,185,384	12,961,598,553	17,749,297,533

A reconciliation of the carrying amounts of investment properties at the beginning and end of years 2024, 2023 and 2022 is as follows:

<i>(Amounts in PHP)</i>	Retail Building	Condominium Units	Parking Units	Land	Constructions in Progress	Total
Balance at January 1, 2024, net of accumulated depreciation	1,205,387,058	755,261,308	101,790,301	2,682,185,384	13,589,390,602	18,334,014,653
Additions	-	-	-	166,470,150	2,306,461,487	2,472,931,637
Reclassifications of completed projects	(6,525,624)	-	(1,948,652)	-	(1,285,610,698)	(1,294,084,974)
Reclassifications to other accounts	-	-	-	-	-	-
Depreciation during the year	<u>(36,580,151)</u>	<u>(27,581,151)</u>	<u>(3,702,931)</u>	<u>-</u>	<u>-</u>	<u>(67,864,233)</u>
Balance at December 31, 2024, net of accumulated depreciation	<u>1,162,281,283</u>	<u>727,680,157</u>	<u>96,138,718</u>	<u>2,848,655,534</u>	<u>14,610,241,391</u>	<u>19,444,997,083</u>
Balance at January 1, 2023, net of accumulated depreciation	1,213,918,791	783,200,791	108,394,014	2,682,185,384	12,961,598,553	17,749,297,533
Additions	-	-	-	-	1,891,405,985	1,891,405,985
Reclassifications of completed projects	40,991,198	2,386,907	-	-	(43,378,105)	-
Reclassifications to other accounts	-	-	(502,646)	-	(1,220,235,831)	(1,220,738,477)
Depreciation during the year	<u>(49,522,931)</u>	<u>(30,326,390)</u>	<u>(6,101,067)</u>	<u>-</u>	<u>-</u>	<u>(85,950,388)</u>
Balance at December 31, 2023, net of accumulated depreciation	<u>1,205,387,058</u>	<u>755,261,308</u>	<u>101,790,301</u>	<u>2,682,185,384</u>	<u>13,589,390,602</u>	<u>18,334,014,653</u>
Balance at January 1, 2022, net of accumulated depreciation	727,535,091	730,881,921	25,466,758	5,449,949,151	6,306,290,741	13,240,123,662
Additions	250,000	1,535,704	-	-	6,622,774,985	6,624,560,689
Reclassifications	534,937,306	80,514,016	89,030,687	(2,767,763,767)	32,532,827	(2,030,748,931)
Depreciation during the year	<u>(48,803,606)</u>	<u>(29,730,850)</u>	<u>(6,103,431)</u>	<u>-</u>	<u>-</u>	<u>(84,637,887)</u>
Balance at December 31, 2022, net of accumulated depreciation	<u>1,213,918,791</u>	<u>783,200,791</u>	<u>108,394,014</u>	<u>2,682,185,384</u>	<u>12,961,598,553</u>	<u>17,749,297,533</u>

In 2024, the Group reclassified certain investment properties with aggregate carrying amount of P1,291,548,786 to real estate inventories (see Note 7) and P2,536,188 to property and equipment (see Note 11). In 2023, the Group reclassified certain investment properties with aggregate carrying amount of P1,220,235,831 to real estate inventories (see Note 7) and P502,646 to property and equipment (see Note 11). Reclassifications to real estate inventories were made as a result of the change in the use of the properties from being held for lease to being held for sale. The changes are evidenced by modifications in business and development plans, securing necessary government permits, commencement of marketing activities to sell the properties, and obtaining reservations from customers. On the other hand, for properties reclassified to property and equipment, the Group determined that these assets were no longer intended to be leased. Instead, they are now designated for use in the Group's operations, as evidenced by their integration into the Group's business plans and operational activities.

Borrowing costs that are capitalized as part of investment property amounted to P764,496,562 and P344,938,772 in 2024 and 2023, respectively, which represents the specific borrowing costs incurred on loans and corporate notes obtained to fund the construction projects (see Note 15). The capitalization rate used for the borrowings ranges from 5.5% to 9.5% and 4.0% to 8.0% for the years ended December 31, 2024 and 2023, respectively. Income and expenses from investment properties in 2024, 2023 and 2022 are presented below.

<i>(Amounts in PHP)</i>	Notes	2024	2023	2022
Rental income:	18.1			
Retail building		115,470,199	93,550,383	68,094,916
Condominium units		41,014,666	12,631,070	9,789,476
Parking units		5,195,669	2,257,520	1,287,074
Others		<u>731,659</u>	<u>3,904,883</u>	<u>106,093</u>
		<u>162,412,193</u>	<u>112,343,856</u>	<u>79,277,559</u>
Cost on rental services:	19			
Depreciation		67,864,233	85,950,388	84,637,887
Others		<u>-</u>	<u>771,352</u>	<u>-</u>
		<u>67,864,233</u>	<u>86,721,740</u>	<u>84,637,887</u>

The depreciation and other expenses are included as part of Cost of Sales and Services in the consolidated statements of profit or loss in 2024, 2023 and 2022 (see Note 19). Investment properties have a total fair value of P22,139,376,787 and P18,422,843,422 as at December 31, 2024 and 2023, respectively, based on the appraisal done by an independent expert [see Note 32.3(c)]. On the basis primarily of the foregoing valuations, management has assessed that no impairment loss is required to be provided on the Group's investment properties as at December 31, 2024 and 2023 [see also Note 3.2(g)].

Investment properties with a total carrying amount of P8,953,443,666 and P7,160,910,550 as at December 31, 2024 and 2023, respectively, are used as collateral for certain interest-bearing loans and borrowings of the Parent Company (see Note 15.1).

14. OTHER NON-CURRENT ASSETS

This account includes the following:

<i>(Amounts in PHP)</i>	Note	2024	2023
Deferred commissions	18.2	1,443,535,690	1,046,459,553
Advances to subcontractors		521,781,528	550,104,738
Refundable deposits		162,843,330	152,741,454
Computer software - net		21,390,595	25,314,992
Investment in equity securities		9,375,002	9,375,002
Deferred input VAT		-	4,624,926
Others		979,001	1,342,727
		2,159,905,146	1,789,963,392

Advances to subcontractors include advance payments for materials, payment of labor and overhead expenses for on-going construction of investment properties. These are applied against the progress billings of subcontractors.

Refundable deposits pertain to recoverable payments, which are expected to be realized at the termination of the contract, to lessors and various payees. These are measured at amortized cost.

The gross carrying amounts and accumulated amortization of Computer software at the beginning and end of 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	2024	2023
Cost	65,252,045	65,252,045
Accumulated amortization	(47,308,397)	(39,937,053)
Carrying amount	21,390,595	25,314,992

The total additions to computer software amounted to P3,446,947, P1,914,986 and P3,064,323 in 2024, 2023 and 2022, respectively. The amortization expense on the computer software amounted to P7,371,344, P7,962,055 and P8,831,626 in 2024, 2023 and 2022, respectively, and is presented as part of Depreciation and amortization under Operating Expenses (see Note 20).

15. INTEREST-BEARING LOANS AND BORROWINGS

The outstanding balance of interest-bearing loans and corporate notes are presented in the consolidated statements of financial position as follows:

<i>(Amounts in PHP)</i>	Note	2024	2023
Current:			
Bank loans	15.1	7,577,912,966	10,075,486,704
Corporate notes	15.2	2,537,500,000	1,491,666,667
		<u>10,115,412,966</u>	<u>11,567,153,371</u>
Non-current:			
Bank loans	15.1	27,299,331,139	20,871,648,528
Corporate notes	15.2	7,237,335,826	9,750,043,837
		<u>34,536,666,965</u>	<u>30,621,692,365</u>
		<u>44,652,079,931</u>	<u>42,188,845,736</u>

15.1 Bank Loans

An analysis of the movements in the balance of interest-bearing loans is presented below.

<i>(Amounts in PHP)</i>	Note	2024	2023
Balance at beginning of year		30,947,135,232	22,727,744,834
Proceeds and drawdowns - net		17,475,143,091	12,943,572,214
Repayments		(13,652,751,069)	(4,674,289,221)
Amortization of debt issue costs		107,716,851	104,607,405
Reclassification	17	-	(154,500,000)
Balance at end of year		<u>34,877,244,105</u>	<u>30,947,135,232</u>

In 2023, the Group reclassified advances obtained from non-controlling stockholders amounting to P154,500,000 to Trade and Other Payables (see Note 17). There was no similar transaction in 2024.

A reconciliation of the unamortized debt issue cost at the beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	163,081,681	107,967,127
Amortization of debt issue cost	(107,716,851)	(104,607,404)
Debt issue costs from new loans	95,129,495	159,721,958
Balance at end of the year	<u>150,494,325</u>	<u>163,081,681</u>

The loans bear interest rates per annum ranging from 5.5% to 9.5%, from 5.0% to 8.0%, from 4.0% to 8.0%, in 2024, 2023, 2022, respectively. Certain loans are collateralized by the specific projects and developments and certain property and equipment for which the loans were obtained. The cost of such projects aggregating to P25,749,272,420 and P21,360,041,578 as at December 31, 2024 and 2023, respectively, are included in the Real Estate Inventories, Property and Equipment and Investment Properties accounts in the consolidated statements of financial position (see Notes 7, 11 and 13).

Per loan covenant, the Group is required to maintain the specifically defined consolidated financial ratios with respect to (a) maximum debt to equity ratio of 2.5:1; (b) minimum current ratio of 1:1; and, (c) minimum interest coverage ratio of 3:1. As at December 31, 2024 and 2023, the Group is compliant with the requirements.

The Group's loans bear interest ranging from 5.5% to 9.5% in 2024 and from 5.0% to 8.0% in 2023.

The total interest incurred from the foregoing loans, including amortization of debt issuance cost, amounted to P2,529,622,749, P2,079,945,262 and P1,077,091,468 in 2024, 2023 and 2022, respectively, and of which P1,001,393,303, P577,853,395 and P219,997,083, respectively, were capitalized as part of construction costs of investment property and property and equipment (see Notes 11 and 13). The capitalization rate used in determining the amount of interest charges qualified for capitalization ranges from 5.00% to 9.50% and from 5.00% to 8.00% in 2024 and 2023, respectively.

15.2 Corporate Notes

The Parent Company and various financial institutions executed a Notes Facility Agreement (NFA) for the issuance of long-term corporate notes (LTCN) totaling P13,000,000,000 and two short-dated notes (SDN) amounting to P2,000,000,000 and P3,000,000,000, respectively.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	11,241,710,504	12,334,545,777
Repayments	(1,491,666,667)	(1,117,559,524)
Amortization of debt issue cost	24,791,989	24,724,251
Balance at end of the year	<u>9,774,835,826</u>	<u>11,241,710,504</u>

The NFA is composed of the following tranches:

<i>(Amounts in PHP)</i>				
NFA	Date Executed	Tranche	Tenor	Principal Amount
LTCN	07/20/2018	Series A	Seven years	2,500,000,000
		Series B	Ten years	1,000,000,000
		Series C	Ten years with repricing on the interest rate re-setting date	1,500,000,000
	03/05/2020	Series D	Five years	1,300,000,000
		Series E	Seven years	5,700,000,000
		Series F	Ten years	<u>1,000,000,000</u>
				<u>13,000,000,000</u>
SDN	10/25/2019	SDN 1	18 months from drawdown date	2,000,000,000
	04/30/2021	SDN 2	18 months from drawdown date	<u>3,000,000,000</u>
				<u>5,000,000,000</u>

The Parent Company made the following drawdowns from the NFA.

(Amounts in PHP)

Year	Tranche	Interest Rate	Maturity Dates	Amount
2021	SDN 2	3.88%	November 2022	<u>3,000,000,000</u>
2020	Series D	3.46%	September 2025	1,300,000,000
	Series E	3.54% - 4.66%	April 2027	5,700,000,000
	Series F	4.23% - 5.23%	March 2030	<u>1,000,000,000</u>
				<u>8,000,000,000</u>
2019	Series A	7.25%	January 2026	2,000,000,000
	SDN 1	4.75%	April 2021	<u>2,000,000,000</u>
				<u>4,000,000,000</u>
2018	Series A	7.25%	December 2025	500,000,000
	Series B	6.63%	August - September 2028	1,000,000,000
	Series C	6.75%	October - December 2028	<u>1,500,000,000</u>
				<u>3,000,000,000</u>

In 2021 and 2020, the Parent Company recognized debt issuance costs for NFA amounting to P27,236,842 and P108,124,311, respectively, which has a carrying amount of P52,842,745 and P77,634,734 as at December 31, 2024 and 2023, respectively, in relation to the drawdowns from the NFA. The debt issuance cost amortization in 2024 and 2023 amounted to P24,791,989 and P24,724,251, respectively. The debt issuance costs are deducted from the fair value or issue price of the note.

The total interest incurred related to the NFA, including amortization of debt issuance cost, amounted to P606,939,694, P667,255,268 and P836,758,484 in 2024, 2023 and 2022, respectively, of which P369,697,770, P236,252,622 and P273,786,274 was capitalized as part of property and equipment and investment properties, respectively, and, P212,449,935 was recognized as interest expense as part of Finance Costs in 2024 (see Notes 11 and 13).

The Group is required to maintain the specifically defined financial ratios with respect to (a) maximum debt to equity ratio of 2.5:1; (b) minimum current ratio of 1:1; and, (c) minimum interest coverage ratio of 3:1. As at December 31, 2024 and 2023, the Group is compliant with the requirements.

The total interest expense related to the above loans, which are included as part of Finance Costs in the consolidated statements of profit or loss, amounted to P1,971,427,485, P2,205,875,946 and P1,136,010,363 in 2024, 2023 and 2022, respectively (see Note 22).

The accrued interest on these loans amounts to P338,604,909 and P262,413,071 as at December 31, 2024 and 2023, respectively, and is presented as part of Accrued expenses under the Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

16. BONDS PAYABLE

On September 23, 2022, CLI registered with the SEC its debt securities program of P15,000,000,000 fixed rate bonds, which will be offered in one or more tranches within three years.

On October 7, 2022, the Parent Company issued the first tranche of its fixed rate bonds amounting to P5,000,000,000 and was listed with the Philippine Dealing & Exchange Corp. (PDEX). The bonds have been rated “PRS Aa plus” with a stable outlook by PhilRatings and are comprised of the following tenors:

- Series A – maturity of 3.5 years and a coupon rate of 6.4222%;
- Series B – maturity of 5.5 years and a coupon rate of 6.9884%; and,
- Series C – maturity of 7 years and a coupon rate of 7.3649%.

In 2022, the Parent Company recognized bond issuance costs amounting to P73,372,369 in relation to the issuance of the first tranche of the bonds which has a carrying amount of P35,231,074 and P52,177,479 as at December 31, 2024 and 2023, respectively. In 2024 and 2023, the Parent Company capitalized a portion of the amortization of bond issuance costs amounting to P13,775,733 and P14,081,503 as part of property and equipment and investment property. No similar capitalization in 2022. The Parent Company expensed the amortization amounting to P3,170,672 and P3,158,387, in 2024 and 2023, respectively.

The total interest incurred related to the bonds, including amortization of bond issuance cost, amounted to P272,872,570 and P357,691,418 in 2024 and 2023, respectively, of which P207,406,384 and P102,974,721 was capitalized as part of property, plant and equipment and investment properties in 2024 and 2023, respectively, and P131,374,423 and P66,856,868 (see Note 22) was recognized as interest expense as part of Finance Costs in 2024 and 2023, respectively.

The capitalization rate used in determining the amount of interest charges qualified for capitalization ranges from 6.42% to 7.36% and from 6.89% to 7.64% in 2024 and 2023, respectively.

The Parent Company is required to maintain the financial ratios with respect to (a) maximum debt to equity ratio of 2.5:1; (b) minimum current ratio of 1:1; and, (c) minimum interest coverage ratio of 3:1. As at December 31, 2024 and 2023, the Parent Company is compliant with the requirements.

17. TRADE AND OTHER PAYABLES

The current portion of trade and other payables is composed of the following:

<i>(Amounts in PHP)</i>	Notes	2024	2023
Unbilled construction costs		10,217,417,458	12,617,790,247
Trade payables		4,528,283,824	4,517,518,729
Sales commissions payable		4,074,237,298	3,763,166,755
Retention payable		1,012,505,883	1,112,645,901
Dividends payable	27.6	339,406,706	-
Accrued expenses	15	338,604,909	262,413,071
Government-related obligations		56,138,657	85,420,412
Output VAT		49,127,314	76,190,277
Advances from non-controlling stockholders	15	-	173,844,748
Other payables		436,423,430	171,800,458
		21,052,145,479	22,780,790,598

The non-current portion of trade and other payables is composed of the following:

<i>(Amounts in PHP)</i>	2024	2023
Retention payable	479,428,609	141,540,119
Advance rental	46,444,768	33,282,573
Other payables	14,416,002	10,597,440
	540,289,379	185,420,132

Unbilled construction costs pertain to estimated obligations to contractors for services already performed but not yet billed to the Group.

Trade payables mainly represent outstanding obligations to owners of parcels of land acquired, subcontractors and suppliers of construction materials.

Retention payable pertains to amount withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. Portion of the amount retained that is not expected to be paid within 12 months from the end of the reporting period is presented as part of non-current liabilities in the consolidated statements of financial position.

Accrued expenses pertain to accruals for interest, contracted services, security services, professional fees and other recurring accruals in the Group's operations. Current portion of the other payables are mostly construction bonds from various subcontractors.

Advances from non-controlling stockholders pertains to noninterest-bearing advances of certain subsidiaries from non-controlling shareholders.

18. REVENUE FROM CONTRACTS WITH CUSTOMERS AND CONTRACT BALANCES

18.1 Disaggregation of Contract Revenues

The Group derives revenue from the transfer of goods and services over time and at a point in time. Presented below are revenues from its major product lines and geographical areas for the years ended December 31, 2024, 2023 and 2022.

<i>(Amounts in PHP)</i>	<u>Cebu</u>	<u>Visayas</u>	<u>Mindanao</u>	<u>Luzon</u>	<u>Total</u>
2024					
<i>Sale of real estates</i>					
Over time	5,461,915,179	3,092,722,455	5,714,844,138	855,669,206	15,125,150,978
At a point in time	<u>2,344,923,655</u>	<u>116,497,812</u>	<u>1,465,547,474</u>	<u>6,410,000</u>	<u>3,933,378,941</u>
	7,806,838,834	3,209,220,267	7,180,391,612	862,079,206	19,058,529,919
<i>Hotel operations</i>					
Over time	175,942,496	-	-	64,525,946	240,468,442
<i>Lease of properties</i>					
Over time	152,493,606	-	9,918,587	-	162,412,193
<i>Render of management services</i>					
Over time	<u>48,899,263</u>	<u>6,214,656</u>	<u>8,818,916</u>	<u>-</u>	<u>63,932,835</u>
	<u>8,184,174,199</u>	<u>3,215,434,923</u>	<u>7,199,129,115</u>	<u>926,605,152</u>	<u>19,525,343,389</u>
2023					
<i>Sale of real estates</i>					
Over time	7,054,772,604	4,249,501,336	2,444,419,631	544,680,899	14,293,374,470
At a point in time	<u>1,114,472,339</u>	<u>139,887,766</u>	<u>2,937,687,511</u>	<u>22,880,000</u>	<u>4,214,927,616</u>
	8,169,244,943	4,389,389,102	5,382,107,142	567,560,899	18,508,302,086
<i>Hotel operations</i>					
Over time	138,551,300	-	-	-	138,551,300
<i>Lease of properties</i>					
Over time	112,167,681	-	176,175	-	112,343,856
<i>Render of management services</i>					
Over time	<u>47,828,318</u>	<u>-</u>	<u>11,387,808</u>	<u>-</u>	<u>59,216,126</u>
	<u>8,467,792,242</u>	<u>4,389,389,102</u>	<u>5,393,671,125</u>	<u>567,560,899</u>	<u>18,818,413,368</u>
2022					
<i>Sale of real estates</i>					
Over time	5,339,637,015	4,335,738,980	5,171,981,673	7,441,250	14,854,798,918
At a point in time	<u>314,907,742</u>	<u>30,553,637</u>	<u>195,896,965</u>	<u>42,979,100</u>	<u>584,337,444</u>
	5,654,544,757	4,366,292,617	5,367,878,638	50,420,350	15,439,136,362
<i>Hotel operations</i>					
Over time	83,418,279	-	-	-	83,418,279
<i>Lease of properties</i>					
Over time	79,277,559	-	-	-	79,277,559
<i>Render of management services</i>					
Over time	<u>46,653,575</u>	<u>135,000</u>	<u>8,677,228</u>	<u>-</u>	<u>55,465,803</u>
	<u>5,863,894,170</u>	<u>4,366,427,617</u>	<u>5,376,555,866</u>	<u>50,420,350</u>	<u>15,657,298,003</u>

The Group's contract assets as at December 31, 2024 and 2023 are presented in the consolidated statements of the financial position as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Current	20,843,159,851	26,225,182,718
Non-current	<u>28,583,967,809</u>	<u>18,868,803,692</u>
Contract assets - net	<u>49,427,127,660</u>	<u>45,093,986,410</u>

A reconciliation of the opening and closing balance of Contract Assets is shown below.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	45,093,986,410	31,979,063,534
Performance of property development	13,385,602,441	16,896,131,025
Collections	(6,227,744,009)	(4,957,663,757)
Transfers to contract receivables	(4,126,136,303)	-
Accretion of interest income	1,301,419,121	1,176,455,608
Balance at end of year	49,427,127,660	45,093,986,410

The Group recognizes contract assets, due to timing difference of payment and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as of the end of the reporting period. Its classification and presentation in the consolidated statements of financial position is based on the Group's estimate of project completion, hence, any change in estimated completion period affects transfers to contracts receivables.

The Group assesses an ECL when the contract assets are initially recognized and updates the assessment at each reporting date based on the analysis determined by management [see Note 31.2(c)].

A reconciliation of the opening and closing balance of Contract Liabilities is shown in below.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	449,338,207	598,361,867
Revenue recognized that was included in contract liability at the beginning of year	(189,517,602)	(435,715,453)
Increase due to cash received excluding amount recognized as revenue during the year	36,444,509	286,691,793
Balance at end of year	296,265,114	449,338,207

Contract liabilities pertains to collections from buyers that are ahead of the stage of completion of the real estate units sold. Changes in the contract assets and contract liabilities are recognized by the Group when a right to receive payment is already established and upon performance of unsatisfied performance obligation, respectively.

Collections from buyers on sale of real estate units where the gating criteria for recognition of sales contract have yet to be met are accounted for and presented as Customers' Deposits in the consolidated statements of financial position. The balance of Customers' Deposits amounted to P90,223,203 and P144,003,765 as at December 31, 2024 and 2023, respectively.

18.2 Direct Contract Cost

The Group incurs sales commissions upon execution of contracts to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Deferred commission presented under Prepayments and Other Current Assets, and Other Non-current Assets accounts in the consolidated statements of financial position (see Notes 9 and 14). These are amortized over the expected construction period on the same basis as how the Group measures progress towards complete satisfaction of its performance obligation in its contracts. The total amount of amortization for 2024, 2023 and 2022 is presented as Commission under Operating Expenses (see Note 20).

The Group's deferred commission are presented in the consolidated statements of financial position as follows:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Current	9	1,457,932,918	1,645,513,898
Non-current	14	1,443,535,690	1,046,459,553
		<u>2,901,468,608</u>	<u>2,691,973,451</u>

The movement in balances of deferred commission in 2024 and 2023 is presented below (see Note 9 and 14):

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year		2,691,973,451	1,212,239,383
Additional capitalized cost		1,331,190,977	2,578,147,297
Amortization for the year	20	<u>(1,121,695,820)</u>	<u>(1,098,413,229)</u>
Balance at end of year		<u>2,901,468,608</u>	<u>2,691,973,451</u>

18.3 Transaction Price Allocated to Unsatisfied Performance Obligations

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts as of December 31, 2024 and 2023 is P26,904,964,306 and P26,831,730,439, respectively. As of December 31, 2024 and 2023, the Group expects to recognize revenue from unsatisfied contracts as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Within a year	19,493,708,111	16,468,635,728
More than one year to three years	<u>7,411,256,195</u>	<u>10,363,094,711</u>
	<u>26,904,964,306</u>	<u>26,831,730,439</u>

19. COST OF SALES AND SERVICES

Components of costs of sales and services are analyzed below (see Note 20).

<i>(Amounts in PHP)</i>	Notes	2024	2023 (As Restated - see Note 2)	2022 (As Restated - see Note 2)
Cost of real estate sales:				
Contracted services	20	6,258,740,881	6,721,682,679	6,508,679,207
Land	20	2,269,730,049	1,197,636,227	1,126,978,391
Other costs		556,586,714	310,747,305	95,620,574
		<u>9,085,057,644</u>	<u>8,230,066,211</u>	<u>7,731,278,172</u>
Cost of rental services:				
Depreciation		67,864,233	85,950,388	84,637,887
Others		-	771,352	-
	13	<u>67,864,233</u>	<u>86,721,740</u>	<u>84,637,887</u>
Cost of management services:				
Salaries and wages		43,189,532	31,404,255	24,220,828
Materials and supplies		-	250	53,709
		<u>43,189,532</u>	<u>31,404,505</u>	<u>24,274,537</u>
Cost of hotel operations:				
Salaries and wages		51,845,264	13,621,634	11,235,316
Materials and supplies		43,546,936	17,448,513	9,293,657
Utilities		23,083,633	6,836,731	4,454,328
Others		41,641,139	16,700,580	7,705,501
		<u>160,116,972</u>	<u>54,607,458</u>	<u>32,688,802</u>
		<u>9,356,228,381</u>	<u>8,402,799,914</u>	<u>7,872,879,398</u>

20. COSTS AND EXPENSES BY NATURE

Details of costs and expenses by nature are shown below.

<i>(Amounts in PHP)</i>	Notes	2024	2023 (As Restated – See Note 2)	2022 (As Restated – See Note 2)
Contracted services	19	6,258,740,881	6,721,682,679	6,508,679,207
Land	19	2,269,730,049	1,197,636,227	1,126,978,391
Commissions	9, 18.2	1,121,695,820	1,098,413,229	847,167,494
Salaries and employee benefits	24.1	728,891,852	640,179,561	540,416,163
Taxes and licenses		733,549,816	246,525,634	323,092,809
Depreciation and amortization	11, 12, 13, 14	175,519,160	186,911,151	170,626,662
Hotel operations		160,116,973	54,607,458	32,688,802
Advertising		144,723,382	114,388,720	71,973,193
Utilities		96,869,915	67,068,697	50,536,408
Security services		75,490,555	46,363,199	35,588,415
Repairs and maintenance		64,037,638	75,373,439	87,599,940
Transportation and travel		53,814,116	39,391,380	40,131,671
Insurance		52,054,986	41,993,315	27,249,959
Rent	12.3, 29.2	40,332,666	38,696,975	24,410,422
Association dues		39,948,303	37,178,773	34,626,976
Professional and legal fees		34,972,909	27,865,251	29,603,118
Representation and entertainment		29,749,434	36,342,834	33,552,413
Subscription and membership dues		27,226,686	18,002,477	14,108,468
Supplies		23,978,966	19,240,550	21,027,969
Management fee		11,992,873	14,633,689	11,767,780
Communications		14,832,431	8,338,820	8,540,822
Donations		11,714,249	27,231,797	13,629,849
Trainings and seminars		5,176,179	1,604,995	1,463,617
Others		381,928,214	427,763,973	186,351,803
		<u>12,557,088,053</u>	<u>11,187,434,823</u>	<u>10,241,812,351</u>

These costs and expenses are classified in the consolidated statements of profit or loss as follows:

<i>(Amounts in PHP)</i>	Note	2024	2023 (As Restated – See Note 2)	2022 (As Restated – See Note 2)
Cost of sales and services	19	9,356,228,381	8,402,799,914	7,872,879,398
Operating expenses		3,200,859,672	2,784,634,909	2,368,932,953
		<u>12,557,088,053</u>	<u>11,187,434,823</u>	<u>10,241,812,351</u>

21. OTHER OPERATING INCOME AND OTHER LOSSES

21.1 Other Operating Income

This account is composed of the following:

<i>(Amounts in PHP)</i>	2024	2023	2022
Administrative charges	190,972,411	159,551,234	91,633,272
Move-in fee income	104,692,210	19,520,069	38,348,832
Water service fee	35,768,815	16,337,568	14,260,920
Documentation fee	27,473,215	30,657,165	13,604,956
Utilities charged to tenants	20,970,020	16,034,536	5,612,043
Sponsorships	10,736,915	14,056,920	7,957,554
Late payment penalties charged to customers	10,322,308	10,753,489	7,524,767
Scrap sales	5,128,550	3,638,108	3,389,340
Foreign exchange gains	2,415,746	2,195,803	6,454,820
Referral incentive	2,289,300	1,396,796	2,240,129
Reversal of payables	-	115,283,578	40,320
Insurance claims	-	5,357,143	-
Others	41,400,360	15,997,370	11,475,800
	<u>452,169,850</u>	<u>410,779,779</u>	<u>202,542,753</u>

Move-in fee income pertain to excess fees charged to real estate buyers upon turn-over of their units over the cost of services to make the buyers' units habitable which include requisition of building insurance and fire extinguisher, processing of related taxes, utility connections and others.

Reversal of payables pertains to outstanding payables related to advances from buyers in excess of the paid transfer charges and move-in fees, which are not refunded to the buyers. It also includes outstanding payables from cancelled contracts with certain building contractors and suppliers, which the Group is no longer required to pay and income from the write-off of long-outstanding unidentified deposits.

Administrative charges include standard fees charged to the buyers and non-refundable portion of the buyers' payment upon withdrawal from sale.

21.2 Other Losses

This account is composed of the following:

<i>(Amounts in PHP)</i>	2024	2023	2022
Foreign exchange losses	3,943,489	3,338,765	8,205,863
Loss (gain) on sale of assets – net	(1,368,905)	17,410	(128,365)
Other losses	22,558,752	453,506	-
	<u>25,133,336</u>	<u>3,809,681</u>	<u>8,077,498</u>

22. FINANCE COSTS

This is composed of the following:

<i>(Amounts in PHP)</i>	Notes	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
Interest expense on:				
Loans	15	1,971,427,485	2,205,875,946	1,136,010,363
Bonds	16	131,374,423	66,856,868	15,444,620
Lease liabilities	12.4	81,997,700	80,167,300	75,629,879
Day one loss, net of amortization of day one loss on non-current contract receivables	6	2,666,907	3,751,672	257,332
Post-employment defined benefit obligation	24.3	636,230	428,176	241,469
		2,188,102,745	2,357,079,962	1,227,583,663

Interest expense on loans and bonds are the portion not capitalized as part of property and equipment, and investment properties (see Notes 11 and 13).

23. FINANCE INCOME

This is composed of the following:

<i>(Amounts in PHP)</i>	Notes	2024	2023	2022
Interest income on banks	5, 9	20,582,423	13,874,699	14,664,879
Others		3,452,981	1,108,707	154,487
		24,035,404	14,983,406	14,819,366

24. EMPLOYEE BENEFITS

24.1 Salaries and Employee Benefits

Expenses recognized for salaries and employee benefits are presented below.

<i>(Amounts in PHP)</i>	Notes	2024	2023	2022
Short-term employee benefits		720,113,717	633,424,448	532,826,554
Post-employment defined benefit expense	24.3	7,408,472	4,639,127	4,583,769
Share options	24.2, 27.4	1,369,663	2,115,986	3,005,840
	20	728,891,852	640,179,561	540,416,163

24.2 Employee Share Option

Employee share option expense, included as part of Salaries and employee benefits expense under the Operating Expenses account in the consolidated statements of profit or loss, amounted to P1,369,663, P2,115,986 and P3,005,840 in 2024, 2023 and 2022, respectively (see Note 24.1), while the corresponding cumulative credit to Share Options Outstanding account is presented under the Equity section of the consolidated statements of financial position (see Note 27.4).

24.3 Post-Employment Benefit Plan

(a) Characteristics of the Defined Benefit Plan

The Group maintains a funded and non-contributory post-employment benefit plan that is being administered by a trustee bank that is legally separated from the Group. The trustee bank manages the fund in coordination with the Group's top management who acts in the best interest of the plan assets and is responsible for setting the investment policies. The post-employment plan covers all regular full-time employees.

The normal retirement age is 60 with a minimum of five years of credited service. The plan also provides for an early retirement at age 50 with a minimum of five years of credited service and late retirement after age 60, both subject to the approval of the Group's BOD. Normal retirement benefit is an amount equivalent to 50% of the final monthly covered compensation (average monthly basic salary during the last 12 months of credited service) for every year of credited service.

(b) Explanation of Amounts Presented in the Consolidated Financial Statements

Actuarial valuations are made annually to update the post-employment defined benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation reports obtained from an independent actuary in 2024 and 2023.

The amounts of post-employment defined benefit obligation recognized in the consolidated statements of financial position are determined as follows:

<i>(Amounts in PHP)</i>	2024	2023
Present value of the obligation	82,925,055	53,883,058
Fair value of plan assets	(42,615,660)	(43,487,144)
	40,309,395	10,395,914

The movements in the present value of the post-employment defined benefit obligation recognized in the books are presented below.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	53,883,058	44,024,728
Current service cost	7,408,472	4,639,127
Interest cost	3,297,643	3,178,585
Benefits paid	(2,395,737)	(2,979,087)
Remeasurements – actuarial losses (gains) arising from:		
Experience adjustments	37,353,269	2,676,303
Changes in financial assumptions	(16,621,650)	2,343,402
Balance at end of year	82,925,055	53,883,058

The movements in the fair value of plan assets are presented below.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	43,487,144	34,634,633
Interest income	2,661,413	2,750,409
Benefits paid	(2,395,737)	-
Loss on plan assets (excluding amounts included in net interest expense)	(1,137,160)	(817,260)
Contributions	-	6,919,362
Balance at end of year	42,615,660	43,487,144

The composition of the fair value of plan assets at the end of the reporting period by category and risk characteristics is shown below.

<i>(Amounts in PHP)</i>	2024	2023
Unitized investment funds	33,367,846	35,963,869
Government securities	9,059,820	6,901,410
Receivables	131,176	91,322
Cash and cash equivalents	56,818	530,543
	42,615,660	43,487,144

The fair values of the above unitized investment funds and government debt securities are determined based on quoted market prices in active markets (classified as Level 1 of the fair value hierarchy).

Plan assets do not comprise any of the Group's own financial instruments or any of its assets occupied and/or used in its operations. The plan assets recognized gains in 2024 and 2023 amounting to P1,524,253 and P1,933,149, respectively, and loss in 2022 amounting to P736,246.

The components of amounts recognized in profit or loss and other comprehensive income in respect of the defined benefit post-employment plan are as follows:

<i>(Amounts in PHP)</i>	2024	2023	2022
<i>Recognized in profit or loss</i>			
Current service cost - net	7,408,472	4,639,127	4,583,769
Net interest expense on defined benefit obligation	636,230	428,176	241,469
	8,044,702	5,067,303	4,825,238
<i>Recognized in other comprehensive income or loss</i>			
Actuarial losses (gains) arising from changes in:			
Experience adjustments	37,353,269	2,676,303	2,211,194
Financial assumptions	(16,621,650)	2,343,402	(4,166,909)
Loss on plan assets (excluding amounts included in net interest expense)	1,137,160	817,259	2,533,087
	21,868,779	5,836,964	577,372

The net interest expense is presented as part of Post-employment defined benefit obligation under Finance Costs in the statements of profit or loss (see Note 22).

Amounts recognized in other comprehensive loss were included within items that will not be reclassified subsequently to profit or loss.

In determining the amounts of the defined benefit post-employment obligation, the following significant actuarial assumptions were used:

<i>(Amounts in PHP)</i>	2024	2023	2022
Discount rates	6.12%	6.12%	7.22%
Salary increase rates	3%	7%	7%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 25 years for both males and females. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero-coupon government bonds with terms to maturity approximating the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) *Investment and Interest Risks*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the Group's long-term strategy to manage the plan efficiently.

(ii) *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions, the Group's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are as follows:

(i) *Sensitivity Analysis*

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the post-employment defined benefit obligation:

<i>(Amounts in PHP)</i>	Impact on Post-employment Defined Benefit Obligation		
	Changes in Assumption	Increase in Assumption	Decrease in Assumption
December 31, 2024			
Discount rate	+/-1.0%	(4,106,498)	3,165,843
Salary increase rate	+/-1.0%	3,450,146	(4,610,035)
December 31, 2023			
Discount rate	+/-1.0%	(2,148,365)	1,759,621
Salary increase rate	+/-1.0%	2,571,038	(1,514,962)

In addition, assuming there are no attrition rates, the increase in post-employment defined benefit obligation would be P33,056,004 and P102,849,832 in 2024 and 2023, respectively.

The foregoing sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statements of financial position.

The methods and types of assumptions used In preparing the sensitivity analysis did not change compared to the previous years.

(ii) *Asset-Liability Matching Strategies*

To efficiently manage the retirement plan, the Group, through its Retirement Plan Committee, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the post-employment obligations by investing in long-term fixed interest securities (i.e., government or corporate bonds) with maturities that match the benefit payments as they fall due and in the appropriate currency. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the post-employment obligations.

There has been no change in the Group's strategies to manage its risks from previous periods.

(iii) *Funding Arrangements and Expected Contributions*

The Group does not expect to make a contribution during the next reporting period.

The maturity profile of undiscounted expected benefit payments from the plan follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Within one year	33,056,004	36,662,697
More than one year to five years	45,429,141	11,257,978
More than five years to ten years	351,181,103	11,757,739
	<u>429,666,248</u>	<u>59,678,414</u>

The weighted average duration of the defined benefit obligation at the end of the reporting period is 3.43 years.

25. CURRENT AND DEFERRED TAXES

The Group is registered with the Board of Investments (BOI) as a developer of various economic and low-cost housing projects. Accordingly, the Group enjoys an income tax holiday on the BOI-registered projects within three to four taxable years from its registration. The Group has seven and eight registered projects with BOI as of December 31, 2024 and 2023, respectively.

The components of tax expense relating to profit or loss and other comprehensive income or loss are as shown below.

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
<i>Reported in profit or loss:</i>			
Current tax expense:			
Regular corporate income tax (RCIT) at 25%	478,839,161	264,650,963	173,257,102
Final income tax	1,920,312	2,792,636	2,915,541
Minimum corporate income tax (MCIT)	-	1,385,046	2,061,395
	480,759,473	268,828,645	178,234,038
Deferred tax expense arising from –			
Origination and reversal of temporary differences	749,170,854	1,578,350,508	1,105,675,739
	1,229,930,327	1,847,179,153	1,283,909,777
<i>Reported in other comprehensive income (loss):</i>			
Deferred tax income arising from –			
Origination and reversal of temporary differences	5,467,195	1,459,241	144,343

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in the consolidated statements of profit or loss is presented below.

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
Tax on pretax profit at 25%	1,576,571,205	1,549,798,666	1,191,901,096
Adjustments for income subject to lower tax rate	(3,163,712)	(593,661)	(749,364)
Tax effects of:			
Non-taxable income	(355,663,148)	-	-
Non-deductible expenses	26,037,879	6,454,513	7,015,969
Prior period adjustment	-	291,004,134	124,196,540
Tax-exempt real estate sales	(6,663,457)	(2,801,680)	(31,596,098)
Changes in unrecognized deferred tax assets	(7,188,440)	3,317,181	(6,858,366)
Tax expense	<u>1,229,930,327</u>	<u>1,847,179,153</u>	<u>1,283,909,777</u>

The net deferred tax liabilities relate to the following as of December 31:

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)
Deferred tax liabilities:		
Difference between tax reporting base and financial reporting base used in sales recognition	5,703,997,286	4,725,923,261
Effect of restatement – see Note 2	628,767,818	705,430,864
Post-employment defined benefit asset	875,788	875,788
Rental income	2,668,143	15,649,234
Others	7,340,866	255,466
	<u>6,343,649,901</u>	<u>5,448,134,613</u>
Deferred tax assets:		
Sales commissions	(340,073,637)	(301,763,750)
Net operating loss carry-over (NOLCO)	(176,991,919)	(63,865,699)
Net lease liabilities	(59,947,624)	(46,784,773)
MCIT	(1,944,623)	(1,262,043)
Unamortized past service cost	(1,486,199)	(1,486,199)
Employee stock option	(987,320)	(644,905)
Post-employment defined benefit obligation	(3,605,263)	(3,116,095)
Allowance for impairment	(12,232)	(560,566)
Other	(5,613,858)	(5,371,246)
	<u>(590,662,675)</u>	<u>(424,855,276)</u>
	<u>5,752,987,226</u>	<u>5,023,279,337</u>

The components of deferred tax expense (income) are as follows:

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
<i>Reported in profit or loss:</i>			
Deferred tax liabilities:			
Difference between tax reporting base and financial reporting base used in sales recognition	926,097,567	1,702,678,467	1,202,649,149
Rental income	10,814,511	10,134,002	621,241
Post-employment defined benefit asset	(508,484)	-	(2,802,029)
Others	(777,604)	(4,253,356)	(2,214,351)
	935,625,990	1,708,559,113	1,198,254,010
Deferred tax assets:			
NOLCO	(111,228,584)	(29,820,842)	(21,179,834)
Sales commissions	(60,368,757)	(85,380,528)	(60,477,471)
Net lease liabilities	(13,500,384)	(13,573,240)	(12,160,455)
Employee stock options	(343,246)	(528,997)	(115,908)
MCIT	(1,014,165)	(934,875)	(327,169)
Post-employment defined benefit obligation	-	413,731	1,724,845
Amortization of past service cost	-	(287,887)	272,146
Allowance for impairment	-	(95,967)	(314,425)
	(186,455,136)	(130,208,605)	(92,578,271)
	749,170,854	1,578,350,508	1,105,675,739
<i>Reported in other comprehensive income –</i>			
Post-employment defined benefit obligation	(5,467,195)	(1,459,241)	(144,343)

NOLCO can be claimed as deduction from future taxable income within three years from the year the taxable loss was incurred except for NOLCO incurred in 2022 and 2021 by certain subsidiaries, which can be claimed as deduction from gross income until 2026 and 2025, respectively, in accordance with R.A. 11494, *Bayanihan to Recover as One Act*. Details of the Group's NOLCO are shown below.

<i>(Amounts in PHP)</i>	Inception Year	Amount	Utilized	Balance	Expiry Year
	2024	508,619,969	-	508,619,969	2027
	2023	109,472,207	-	109,472,207	2026
	2022	93,817,987	(3,942,488)	89,875,499	2025
	2021	58,986,228	(58,986,228)	-	2026
	2020	82,053,234	(82,053,234)	-	2025
		852,949,625	(144,981,950)	707,967,675	

The Group has deferred tax assets related to NOLCO of P13,593 and P7,684,221 as at December 31, 2024 and 2023, respectively, which were not recognized because the subsidiaries to which such are attributable may not be able to generate enough taxable profit yet within the validity period of NOLCO for the assets to be recovered. As at December 31, 2024, only the Parent Company, CCPH, YHES and SPE are subject to MCIT, which is computed at the applicable rate (1% before July 1, 2023 and 2% thereafter) of gross income net of allowable deductions, as defined under the tax regulations or to RCIT, whichever is higher. Other components of the Group are not yet subject to MCIT as those have not operated beyond four taxable years. The Group reported MCIT amounting to P5,660,123, P1,385,046 and P2,061,395 in 2024, 2023 and 2022, respectively.

The Group opted to treat the capitalized borrowing costs as capital expenditure in accordance with Section 34(b) of the NIRC; hence, there are no deferred taxes related to the transaction. Furthermore, it opted to claim itemized deductions in computing its income tax due for the years ended December 31, 2024, 2023 and 2022.

26. RELATED PARTY TRANSACTIONS

The Group's related parties include its ultimate parent company, entities under common ownership, associates, shareholders, the Group's key management personnel, and its retirement fund. A summary of the Group's transactions and outstanding balances with related parties is presented below.

(Amounts in PHP)	Notes	Amount of Transaction			Outstanding Balance	
		2024	2023	2022	2024	2023
Ultimate Parent Company						
Real estate sales	26.2	854,062,500	4,363,528	15,445,769	837,666,834	685,584
Cancellation of sales	26.2	-	79,849,031	-	-	-
Entities under Common Ownership						
Advances (collections)	26.1	7,865,191	10,835,561	(22,000,465)	54,101,961	46,236,770
Associates and Joint Venture						
Real estate sales	26.4	2,044,110,637	-	-	246,068,950	-
Advances (collections)	26.1	(3,036,610)	1,958,865	368,535	(676,613)	2,359,997
Key Management Personnel						
Real estate sales	26.3	10,769,427	-	34,868,415	-	-
Compensation	26.5	127,566,979	209,130,536	149,885,801	-	-

Based on management's assessment, no impairment loss is required to be provided on the Group's receivables from related parties as at December 31, 2024 and 2023. In respect of contract receivables, it is fully secured by the units purchased, expected to be settled in cash and due based on the contract terms.

Details of the foregoing transactions are discussed on the succeeding page.

26.1 Advances to Related Parties

The Group grants cash advances to shareholders, entities under common ownership and associates. An analysis of such advances in 2024 and 2023 is presented below.

<i>(Amounts in PHP)</i>	Entities Under Common Ownership	Associates	Total
Balance at January 1, 2024	46,236,770	2,359,997	48,596,767
Additional advances (payments)	7,865,191	(3,036,610)	4,828,581
Balance at December 31, 2024	54,101,961	(676,613)	53,425,348
Balance at January 1, 2023	35,401,209	401,132	35,802,341
Additional advances	10,835,561	1,958,865	12,794,426
Balance at December 31, 2023	<u>46,236,770</u>	<u>2,359,997</u>	<u>48,596,767</u>

The outstanding balances from these transactions, which are payable on demand, unsecured and noninterest-bearing, are presented as Due from related parties in the consolidated statements of financial position.

26.2 Real Estate Sales to Ultimate Parent Company

In 2024, the Company sold the Manresa lot to ABS amounting to P854,062,500 with a cost amounting to P470,900,926, resulting to a gross profit of P383,161,574. The outstanding balance, amounting to P837,666,834, is noninterest-bearing and due on demand related to this transaction and presented as part of Contract receivables under the Receivables account in the consolidated statements of financial position (see Note 6).

In 2023, and 2022, CLI sold condominium units to ABS. The outstanding balance related to these transactions are noninterest-bearing and due on demand, and is presented as part of Contract Receivables under the Receivables account in the consolidated statements of financial position (see Note 6). There was no similar transaction in 2024.

In 2023, the Group cancelled the sale of a single floor at Baseline HQ made to ABS on December 2017.

26.3 Real Estate Sales to Key Management Personnel

In 2024 and 2022, CLI sold condominium units to key management personnel. The outstanding balance related to these transactions are noninterest-bearing, collectible similarly to the sale of real estate units to customers, is presented as part of Contract receivables under the Receivables account in the 2024 and 2022 consolidated statement of financial position (see Note 6). There is no similar transaction in 2023.

26.4 Real Estate Sales to a Joint Venture

On April 10, 2024, CLI NUD, acquired two parcels of land from El Camino amounting to P2,044,110,637. The outstanding balance related to the acquisition of land amounting to P246,068,950 is presented as part of Contract receivables under the Receivables account in the consolidated statements of financial position (see Note 6).

26.5 Key Management Personnel Compensation

The composition of key management personnel compensation for the years ended December 31, 2024, 2023 and 2022 is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Short-term benefits	101,282,775	159,664,014	141,949,540
Post-employment benefits	26,284,204	47,350,536	4,930,421
Share options	1,369,663	2,115,986	3,005,840
	<u>128,936,642</u>	<u>209,130,536</u>	<u>149,885,801</u>

26.6 Retirement Fund

CLI's retirement fund for its defined post-employment plan is administered and managed by a trustee bank. The fair value of plan assets in 2024 and 2023 consists of the contributions to the plan and interest earned (see Note 24.3). The plan assets do not comprise investment in any of the Group's own financial instruments or any of its assets occupied and/or used in its operations.

27. EQUITY

27.1 Capital Stock

Details of the Parent Company's authorized capital stock as of December 31, 2024 and 2023 are as follows:

	<u>Shares</u>		<u>Amount in PHP</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Preferred shares				
Authorized				
Series A – P1.00 par value	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Series B – P0.10 par value	1,000,000,000	1,000,000,000	100,000,000	100,000,000
Total	<u>2,000,000,000</u>	<u>2,000,000,000</u>	<u>1,100,000,000</u>	<u>1,100,000,000</u>
Issued and outstanding:				
Issuance during the year:				
Preferred Shares – Series A-1 (CLIA1)	2,063,360	-	2,063,360	-
Preferred Shares – Series A-2 (CLIA2)	2,216,980	-	2,216,980	-
Balance at end of year	<u>4,280,340</u>	<u>-</u>	<u>4,280,340</u>	<u>-</u>
Common shares – P1.00 par value				
Authorized	<u>9,000,000,000</u>	<u>9,000,000,000</u>	<u>9,000,000,000</u>	<u>9,000,000,000</u>
Issued:				
Balance at beginning and end of year	3,623,451,997	3,623,451,997	3,623,451,997	3,623,451,997
Treasury shares	<u>(158,250,530)</u>	<u>(158,250,530)</u>	<u>(732,664,604)</u>	<u>(732,664,604)</u>
Issued and outstanding	<u>3,465,201,467</u>	<u>3,465,201,467</u>	<u>2,890,787,393</u>	<u>2,890,787,393</u>

On April 25, 2023, the BOD approved the amendment of the Articles of Incorporation (AOI) of CLI to reallocate the authorized capital stock of P10,100,000,000 to be divided as follows:

- (a) 9,000,000,000 common shares with a par value of P1 per share;
- (b) 1,000,000,000 Series A preferred shares with a par value of P1 per share; and,
- (c) 1,000,000,000 Series B preferred shares with a par value of P0.10 per share.

The amendment to the AOI was later approved by the stockholders on June 1, 2023. On October 18, 2023, the SEC officially accepted CLI's application for the amendment of its AOI, which was later approved on December 29, 2023.

On April 12, 2024, CLI issued and listed perpetual, cumulative, non-voting, non-participating, non-convertible and redeemable Philippine Peso denominated Series "A" Preferred Shares categorized and offered in two subseries (Series A-1 and Series A-2) on the main board of the PSE. Issue price for Series A-1 and A-2 is at P1,000. The additional paid-in capital resulting in the issuance amounted to P4,276,059,660 (see Note 27.2). The initial dividend rate of the shares shall be as follows: (a) in respect of the Series A-1 Preferred Shares, at fixed rate of 7.59% per annum of the Offer price, and (b) for the Series A-2 Preferred Shares, at the fixed rate of 8.25% per annum of the offer price. The BOD has full discretion over the declaration and payment of dividends, subject to conditions and to the extent allowed by law. There was no issued preferred shares as at December 31, 2023.

The share price of the Parent Company's common stock closed at P2.65 per share on December 27, 2024 and P2.47 per share on December 29, 2023, the last trading day in the PSE for 2024 and 2023 respectively.

The common stock of the Parent Company that is held under nominee accounts totaled 1,289,888,375 shares and 1,285,302,905 shares as of December 31, 2024 and 2023, respectively. This represents 35% of the Parent Company's outstanding shares as of December 31, 2024 and 2023, respectively.

The Parent Company has no other listed equity securities as at December 31, 2024 and 2023.

27.2 Additional Paid-in Capital

On June 2, 2017, the Parent Company made an initial public offering (IPO) of 430,000,000 unissued common shares at an offer price of P5 per share, which is equivalent to P2,150,000,000. Accordingly, the Parent Company recognized additional paid-in capital of P1,608,917,974 in the consolidated statements of financial position after deducting the related share issuance costs of P111,082,026.

On April 12, 2024, the Company issued and listed perpetual, cumulative, non-voting, non-participating, non-convertible and redeemable Philippine Peso denominated Series "A" Preferred Shares categorized and offered in two subseries (Series A-1 and Series A-2) on the main board of the PSE. Issue price for Series A-1 and A-2 is at P1,000. The additional paid-in capital resulting in the issuance amounted to P4,247,007,247 in the consolidated statements of financial position after deducting the related share issuance costs of P29,052,413.

27.3 Treasury Shares

On February 27, 2018, the BOD of the Parent Company approved a P250,000,000 budget for a share buy-back program and employee stock option plan. On March 2022, qualified employees started exercising their stock options (see Note 27.4).

On March 27, 2020, the BOD of the Parent Company approved an additional P500,000,000 stock buy-back program over the next two years.

In relation to this program, the Parent Company reacquired its common stock in 2021 and 2020, for P15,320,885 and P485,657,205, respectively, and presented them as Treasury Stock in the consolidated statement of financial position. No additional shares were reacquired in 2022.

In 2022, the Parent Company has reissued 3,349,470 shares of treasury shares as a result of exercise of the same number of stock options (Note 27.4).

As of December 31, 2024 and 2023, the Group has a total of 158,250,530 treasury shares amounting to P732,664,604.

27.4 Employee Share Option

On October 6, 2021, the BOD of the Parent Company approved the Executive Stock Option Plan (ESOP) for its qualified officers. The ESOP grants options to purchase the shares of the Parent Company at a price of P2.25 or current market price with a 15% discount, whichever is higher. Shares bought under the ESOP cannot be sold, assigned, or transferred in any manner for at least six months from the exercise date. Voting and dividend rights vest upon the issuance of the shares to the employees.

Pursuant to this ESOP, on January 5, 2022, the Parent Company granted share options to qualified officers to subscribe to 31,016,200 common shares of the Parent Company, with the following vesting period.

- The 1st 25% of the options granted can be exercised immediately upon the year of grant;
- The 2nd 25% of the options granted can be exercised one year after the options were granted;
- The 3rd 25% of the options granted can be exercised two years after the options were granted; and,
- The last 25% of the options granted can be exercised three years after the options were granted.

In 2022, a total of 3,349,470 share options were exercised at a price of P2.40 per share using the Parent Company treasury shares (see Note 27.3).

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP. The following principal assumptions were used in the valuation:

Average option life	2.5 years
Average share price at grant date	P2.86
Average exercise price at grant date	P2.43
Average fair value at grant date	P0.15
Average standard deviation of share price returns	20.17%
Average dividend yield	14.95%
Average risk-free investment rate	2.59%

The underlying expected volatility was determined by reference to historical prices of the Parent Company's shares.

Share option benefits expense, which is included as part of Salaries and employee benefits under the Operating Expenses account, amounting to P1,369,663, P2,115,986 and P3,005,840 was recognized in 2024, 2023 and 2022, respectively (see Note 24.1), while the corresponding credit to Share Options Outstanding account is presented as part of Equity Attributable to Owners of the Parent Company under the Equity section of the consolidated statements of financial position.

27.5 Revaluation Reserves

The components and reconciliation of items of other comprehensive income (loss) presented in the consolidated statement of changes in equity at their aggregate amount under the Revaluation Reserves account are shown below.

<i>(Amounts in PHP)</i>	<i>Notes</i>	2024	2023	2022
Balance at beginning of year		(18,288,224)	(13,910,501)	(13,477,472)
Other comprehensive loss:				
Gain (loss) on remeasurement of post-employment defined benefit obligation	24.3	(21,868,779)	(5,836,964)	(577,372)
Tax income (expense)	25	5,467,195	1,459,241	144,343
		(16,401,584)	(4,377,723)	(433,029)
Balance at end of year		(34,689,808)	(18,288,224)	(13,910,501)

27.6 Retained Earnings

(a) Cash Dividends

Date of Declaration	Record Date	Payment Date	Total Cash Dividends	Dividend Per Share
<i>(Amounts in PHP)</i>				
<u>2024</u>				
Common shares:				
March 18, 2024	April 17, 2024	May 3, 2024	519,780,220	0.15
March 18, 2024	April 17, 2024	May 3, 2024	103,956,045	0.03
			<u>623,736,265</u>	
Preferred shares (CLIA1):				
June 14, 2024	July 2, 2024	July 12, 2024	39,126,462	18.96
June 14, 2024	October 2, 2024	October 12, 2024	39,126,462	18.96
November 21, 2024	January 2, 2025	January 12, 2025	39,126,462	18.96
November 21, 2024	April 2, 2025	April 12, 2025	39,126,462	18.96
November 21, 2024	July 2, 2025	July 12, 2025	39,126,462	18.96
November 21, 2024	October 2, 2025	October 12, 2025	39,126,462	18.96
			<u>234,758,772</u>	18.96
Preferred shares (CLIA2):				
June 14, 2024	July 2, 2024	July 12, 2024	45,725,213	20.63
June 14, 2024	October 2, 2024	October 12, 2024	45,725,213	20.63
November 21, 2024	January 2, 2025	January 12, 2025	45,725,213	20.63
November 21, 2024	April 2, 2025	April 12, 2025	45,725,213	20.63
November 21, 2024	July 2, 2025	July 12, 2025	45,725,213	20.63
November 21, 2024	October 2, 2025	October 12, 2025	45,725,213	20.63
			<u>274,351,278</u>	20.63
			<u>1,132,846,315</u>	
<u>2023</u>				
Common shares:				
March 20, 2023	April 18, 2023	April 28, 2023	519,780,220	0.15
March 20, 2023	April 18, 2023	April 28, 2023	103,956,044	0.03
			<u>623,736,264</u>	
<u>2022</u>				
Common shares:				
March 15, 2022	April 22, 2022	May 17, 2022	519,780,221	0.15

Dividends declared on March 18, 2024 and June 14, 2024 were fully paid on May 3, 2024 and July 12, 2024, respectively. Dividends declared on November 21, 2024 is presented as Dividends payable under Trade and Other Payables in the 2024 statement of financial position. Dividends declared in 2023 and 2022 were fully paid in the same year.

(b) Appropriated Retained Earnings Releases

On November 23, 2023 and December 6, 2022, the Parent Company's BOD approved the appropriation of P6,324,658,043 and P3,931,475,893, respectively, from its retained earnings for the construction of various real estate projects. The real estate projects are expected to be completed from dates ranging from 2024 until 2030. There was no additional appropriations for 2024.

In 2024, 2023 and 2022, the Parent Company reversed certain appropriations made in previous years amounting to P3,691,083,698, P3,341,330,930 and P172,049,912, respectively, to unrestricted retained earnings after partial fulfillment of its intended purpose.

A portion of the Group's retained earnings, equivalent of the cost of treasury shares is legally restricted in accordance with Section 40 of the Revised Corporation Code.

27.7 Non-controlling Interests

The subsidiaries of the Group with significant NCI as at December 31, 2024, 2023 and 2022 are as follows:

(Amounts in PHP)	NCI Ownership %			NCI Equity in Subsidiaries		
	2024	2023	2022	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
Subsidiaries						
YHEST	50%	50%	50%	4,718,648,818	4,299,554,192	3,777,561,870
CHDI	50%	50%	50%	1,775,597,220	1,548,403,514	786,666,552
El Camino	65%	65%	65%	1,050,993,312	1,086,949,888	1,122,368,628
YHES	50%	50%	50%	867,863,915	907,960,322	686,512,645
CBLRV	50%	50%	50%	527,272,087	416,435,594	105,222,808
GGTT	50%	50%	50%	417,651,149	393,007,824	267,015,020
CLI-LITE	12%	12%	12%	201,875,060	152,524,190	124,588,359
CCLI	50%	50%	50%	130,574,877	158,489,937	91,485,695
YES	50%	50%	50%	93,744,663	95,705,218	181,981,225
MDC	22%	22%	22%	79,727,650	79,728,192	79,813,515
MGR	55%	55%	55%	40,279,331	6,697,228	101,114,684
SPE	36%	36%	36%	40,218,586	46,960,280	14,296,286
BL Ventures	50%	50%	50%	16,096,350	28,437,150	74,395,398
				9,960,543,018	9,220,853,529	7,413,022,685

The analysis of the movement of NCI as at December 31, 2024, 2023 and 2022 are as follows:

(Amounts in PHP)	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
Balance at beginning of year, as previously reported	9,345,354,263	7,511,051,738	7,092,307,321
Effect of restatement	(124,500,734)	(98,029,053)	(74,679,850)
Balance at beginning of year, as previously reported	9,220,853,529	7,413,022,685	7,017,627,471
Share in net profit during the year	987,939,489	1,040,710,844	413,654,204
Dividends	(280,750,000)	(112,380,000)	(79,900,000)
New and additional investments	32,500,000	879,500,000	61,641,010
Balance at end of year	9,960,543,018	9,220,853,529	7,413,022,685

The new and additional investments came from the non-controlling shareholders of CHDI and CCLI in 2024, from the non-controlling shareholders of CHDI, CCLI and SPE in 2023, and from the non-controlling shareholders of SPE and MDC in 2022.

The dividends came from El Camino, MGR, and YHEST in 2024, from MGR and BL Ventures and YES in 2023, and from MGR and BL Ventures in 2022.

The summarized balance sheets of the subsidiaries with significant NCI before intragroup eliminations for the years ended December 31, 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Equity
December 31, 2024					
YHEST	4,732,875,684	7,526,450,603	1,923,555,773	1,511,908,831	8,823,861,685
CHDI	4,025,975,872	2,544,692,951	1,792,023,074	3,022,272,778	3,548,396,044
YHES	2,970,173,020	2,471,313,142	2,031,699,394	3,706,095,671	1,735,390,490
El Camino	2,172,378,675	889,089,830	739,751,539	1,444,015,716	1,617,452,787
GGTT	1,788,464,918	469,522,086	753,914,883	541,198,195	962,873,924
CLI-LITE	965,620,369	2,301,003,630	1,355,407,885	345,682,430	1,565,533,683
CBLRV	603,683,420	1,899,456,744	813,842,484	1,451,164,980	1,051,975,182
CCLI	307,643,860	1,691,584,432	470,572,541	1,268,538,161	260,117,587
YES	296,832,879	29,310,884	144,398,770	(5,744,336)	187,489,330
MDC	177,685,083	-	1,466,105	-	176,218,977
MGR	119,075,133	422,178	31,557,893	11,329,271	76,610,147
SPE	98,394,325	577,907,461	216,051,718	229,816,789	230,433,278
BL Ventures	105,216,916	646,681,970	557,268,270	719,732,931	32,165,956
December 31, 2023					
YHEST	7,734,595,875	3,546,876,031	1,859,479,842	699,882,212	8,722,109,852
CHDI	4,599,085,997	754,108,027	1,421,802,775	834,584,221	3,096,807,028
El Camino	3,356,543,217	1,905,626,745	2,128,113,784	1,461,825,581	1,672,230,597
YHES	2,269,517,130	3,448,370,957	2,088,005,396	1,813,962,047	1,815,920,644
CBLRV	681,079,710	1,360,702,524	892,598,764	316,312,282	832,871,188
GGTT	469,201,653	1,417,731,748	725,244,756	375,672,997	786,015,648
CCLI	147,574,518	1,385,762,580	282,662,087	933,695,137	316,979,874
CLI-LITE	695,597,554	1,473,557,615	703,143,944	245,817,705	1,220,193,520
YES	379,897,473	165,518,020	263,099,988	90,905,069	191,410,436
MDC	364,415,785	-	2,014,912	-	362,400,873
MGR	181,224,979	642,056	42,574,704	12,570,098	126,722,233
SPE	56,236,350	420,821,441	80,356,451	266,256,118	130,445,222
BL Ventures	76,490,553	668,892,636	369,764,081	318,744,808	56,874,300

The summarized comprehensive income of the subsidiaries with significant NCI before intragroup eliminations for the years ended December 31, 2024, 2023 and 2022 is shown below.

<i>(Amounts in PHP)</i>	Revenues	Net Profit (Loss)	Other Comprehensive Income (Loss)
2024			
YHEST	1,788,569,079	654,217,739	-
YHES	243,823,072	(96,593,439)	-
CBLRV	557,720,261	91,908,313	-
CHDI	1,312,596,286	220,013,607	-
GGTT	247,941,535	25,126,856	-
CLI-LITE	1,046,885,265	267,020,356	-
BL Ventures	69,102,098	7,206,943	-
El Camino	2,135,750,175	371,516,031	-
YES	125,087,974	43,715,007	-
SPE	20,019,996	(16,668,496)	-
CCLI	65,939,152	(49,144,695)	-
MGR	40,324,929	19,079,655	-
MDC	-	(2,419)	-

<i>(Amounts in PHP)</i>	Revenues	Net Profit (Loss)	Other Comprehensive Income (Loss)
2023			
YHEST	2,865,787,323	970,928,006	-
YHES	987,027,818	442,895,354	-
CBLRV	954,184,151	337,425,572	-
CHDI	1,012,029,844	289,473,924	-
GGTT	604,200,731	251,985,607	-
CLI-LITE	637,386,548	223,486,648	-
BL Ventures	50,452,086	(75,116,496)	-
El Camino	249,507,623	(59,490,369)	-
YES	22,310,048	(32,352,014)	-
SPE	-	(20,377,794)	-
CCLI	-	(25,991,516)	-
MGR	61,948,129	4,477,353	-
MDC	-	(381,832)	-
			-
2022			-
GGTT	820,847,579	354,846,240	-
YHEST	868,396,211	339,127,564	-
CHDI	844,564,708	228,293,599	-
YHES	622,016,164	162,027,169	-
YES	166,545,780	(122,633,178)	-
BL Ventures	(4,367,243)	(90,732,683)	-
SPE	-	(24,517,493)	-
El Camino	408,514,109	13,797,794	-
CBLRV	34,842,825	12,979,029	-
CCLI	-	(10,691,245)	-
CLI-LITE	-	(1,156,876)	-
MGR	(26,999,881)	952,259	-
MDC	-	(413,395)	-

The allocation of profit or loss between the Parent Company and NCI as follows:

<i>(Amounts in PHP)</i>	Parent Company's Shareholders	NCI	Net Profit
2024			
YHEST	327,108,870	327,108,870	654,217,740
YHES	(48,296,719)	(48,296,719)	(96,593,438)
CBLRV	45,954,156	45,954,156	91,908,312
CHDI	110,006,804	110,006,804	220,013,608
GGTT	12,563,428	12,563,428	25,126,856
CLI-LITE	233,642,811	33,377,544	267,020,355
BL Ventures	3,603,472	3,603,472	7,206,944
El Camino	130,030,611	241,485,420	371,516,031
YES	21,857,503	21,857,503	43,715,006
SPE	(10,667,837)	(6,000,659)	(16,668,496)
CCLI	(24,572,347)	(24,572,347)	(49,144,694)
MGR	8,585,845	10,493,810	19,079,655
MDC	(1,880)	(540)	(2,420)
2023			
YHEST	485,464,003	485,464,003	970,928,006
YHES	221,447,677	221,447,677	442,895,354
CBLRV	168,712,786	168,712,786	337,425,572
CHDI	144,736,962	144,736,962	289,473,924
GGTT	125,992,803	125,992,803	251,985,606
CLI-LITE	195,550,817	27,935,831	223,486,648
BL Ventures	(37,558,248)	(37,558,248)	(75,116,496)
El Camino	(19,071,629)	(35,418,740)	(54,490,369)
YES	(16,176,007)	(16,176,007)	(32,352,014)
SPE	(13,041,788)	(7,336,006)	(20,377,794)
CCLI	(12,995,758)	(12,995,758)	(25,991,516)
MGR	2,014,809	2,462,544	4,477,353
MDC	(302,509)	(85,323)	(387,832)
2022			
YHEST	169,563,782	169,563,782	339,127,564
YHES	81,013,584	81,013,585	162,027,169
CBLRV	6,489,514	6,489,514	12,979,028
CHDI	114,146,799	114,146,799	228,293,598
GGTT	177,423,120	177,423,120	354,846,240
CLI-LITE	(1,012,266)	(144,609)	(1,156,875)
BL Ventures	(45,466,342)	(45,466,342)	(90,932,684)
El Camino	4,829,228	8,968,566	13,797,794
YES	(61,316,589)	(61,316,589)	(122,633,178)
SPE	(15,691,196)	(8,826,297)	(24,517,493)
CCLI	(5,345,623)	(5,345,623)	(10,691,246)
MGR	428,517	523,742	952,259
MDC	(321,167)	(92,228)	(413,395)

28. EARNINGS PER SHARE

EPS is computed as follows:

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – See Note 2)	2022 (As Restated – See Note 2)
Net profit attributable to Parent	3,009,909,488	2,794,959,152	2,688,261,719
Preferred dividends – see Note 27.6	(509,110,050)	-	-
Income available to common stockholders	2,500,799,438	2,794,959,152	2,688,261,719
Divided by weighted average number of outstanding common shares	3,465,201,467	3,465,201,467	3,464,364,100
Basic and diluted EPS	0.72	0.81	0.78

The Parent Company granted share options to qualified officers (see Note 27.4). The basic and diluted earnings per share in 2024, 2023 and 2022 are the same because the dilutive effects of potential common shares from the employee share options are negligible for the periods presented. The maximum increase in the weighted average number of outstanding shares from the exercise of employee shares options in 2023 and 2022 amounting to 10,876,872 shares and 4,773,547 shares, respectively, which results in the same EPS amounts. There was no similar transaction in 2024.

Aside from the employee share options, there were no instruments that could potentially dilute basic earnings per share in 2024, 2023, and 2022; hence, basic EPS is the same as diluted EPS.

29. COMMITMENTS AND CONTINGENCIES

29.1 Operating Lease Commitments – Group as Lessor

The Group is a lessor under several operating leases covering certain condominium and parking units and retail building space (see Note 13). To manage its risks over these operating leases, the Group retains its legal title over the underlying assets and requires its lessee to pay security deposits at the start of the lease, which are forfeited in case a lessee pre-terminates without prior notice or before the expiry of the lease term without cause. The leases have terms ranging from one to 15 years, with renewal options, and include annual escalation from 5% to 10%.

The future minimum lease receivables under these agreements are presented below.

<i>(Amounts in PHP)</i>	2024	2023	2022
Within one year	159,503,707	90,163,930	65,807,376
Within one to two years	115,750,118	107,102,709	38,881,603
Within two to three years	48,430,040	71,458,255	25,941,561
Within three to four years	42,816,603	23,406,711	8,497,362
Within four to five years	306,213,534	45,565,584	66,269,406
More than five years	445,954,152	136,979,178	92,651,746
	1,118,668,154	474,676,367	298,049,054

None of the rental income in 2024, 2023 and 2022 are relating to variable lease payments.

29.2 Operating Lease Commitments – Group as Lessee

The Group entered into several short-term cancellable leases for its billboards, warehouse and staff house. Rent expense incurred from the short-term cancellable leases are shown as Rent under Operating Expenses in the consolidated statements of profit or loss (see Notes 20).

As at December 31, 2024 and 2023, the expected future rentals is expected to be more or less the same with the annual rent expense recognized because of the terms of the leases, which are less than 12 months.

29.3 Completion of Sold Units

The Group is obligated to finish the sold units that are at a certain stage of completion at the time of sale. The Group recognized a contract liability, which amounts to P296,265,11 and P449,338,207 as at December 31, 2024 and 2023, respectively, when it collects more than it is entitled to based on the stage of completion of the project development (see Note 18.2).

29.4 Purchase of Land

In 2024 and 2023, the Group had agreed in principle with multiple sellers of real estate properties in various locations in Visayas and Mindanao for the acquisition of parcels of land amounting to P854,851,112 and P349,502,459, respectively and transferred to raw land inventory amounting to P854,851,112 and P464,499,188 in 2024 and 2023, respectively (see Note 8).

29.5 Capital Commitments for Construction Cost

As at December 31, 2024 and 2023, the Group has capital commitments amounting to P9,884,073,424 and P7,869,502,871, respectively, for the construction of real estate inventories, property and equipment and investment properties.

29.6 Others

There are other commitments and contingent liabilities that arise in the normal course of the Group's operations that are not reflected in the consolidated financial statements because the possible outflow of economic resource as a result of present obligations is considered improbable or remote or the amount to be provided cannot be measured reliably. As at December 31, 2024 and 2023, management is of the opinion that losses, if any, from these items will not have a material effect on the Group's consolidated financial statements.

30. EVENTS AFTER THE REPORTING PERIOD

30.1 Public Offering of Sustainability-linked Bonds

On November 21, 2024, the BOD authorized the public offer, sale and issuance of CLI's Sustainability-Linked Bonds (SLB) comprising of Philippine Peso-denominated "Series D Bonds" due 2028 and "Series E Bonds" due 2030, with a base offer of up to P3,000,000,000 and an oversubscription option of up to P2,000,000,000. The notice was provided to the PSE and the SEC on December 20, 2024 and the Parent Company listed its SLB at the PDEx on March 21, 2025.

From and including the first day of the Interest Period immediately following the Interest Period within which a Target Measurement Date falls (each an "Interest Step-Up Date"), the Applicable Interest Rate for each series shall be equal to the Original Interest Rate plus 0.075% for each occurrence of a Trigger Event. There is a Trigger Event when a Sustainability Performance Target (SPT) is not met on the applicable Target Observation Date as determined in the verification assurance report of the relevant External Verification Provider.

The SPT shall be as follows:

- Short Term SPT: Build 8,500 new Affordable Housing units by February 2027
- Medium Term SPT: Build 16,000 new Affordable Housing units by February 2029

30.2 Incorporation of CLI Luzon Ventures, Inc.

On March 18, 2025, the SEC duly approved the registration of CLI Luzon Ventures, Inc., a wholly-owned subsidiary of Cebu Landmasters, Inc., presently engaged with real estate development, sales, leasing, and property management, with a real estate portfolio that includes condominiums and subdivisions for residences, mixed-use properties, townships, hotels and resorts, offices, and co-living spaces.

30.3 Declaration of Cash Dividends on Common Shares

On March 17, 2025, the BOD approved the declaration of regular cash dividends amounting to P0.15 per share and special cash dividends amounting to P0.03 per share with record date on April 11, 2025 which will be paid on April 16, 2025.

31. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to certain financial risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarized in Note 32. The main types of risks are market risk, credit risk and liquidity risk. The Group's risk management focuses on actively securing the Group's short-to-medium term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

It does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described as follows:

31.1 Market Risk

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk and interest rate risk which result from its operating, investing, and financing activities.

It has no significant foreign currency exposure risks as most of its transactions are carried out in Philippine pesos, its functional currency.

31.2 Credit Risk

Credit risk is the risk of financial loss to the Group if the counterparty to a financial instrument fails to meet its contractual obligation. To manage credit risk, the Group maintains credit policies and monitors its exposure to credit risk on a continuous basis. Receivables balances are being monitored on a regular basis to ensure timely execution of necessary collection intervention efforts. In addition, the credit risk for trade receivables is mitigated as the Group transfers the corresponding title of the subdivision lots, house and lot units, condominium units and parking spaces only upon full payment of the contract price.

(a) Maximum exposure to credit risk

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets (including contract assets), as summarized below.

<i>(Amounts in PHP)</i>	Notes	2024	2023
Cash and cash equivalents	5	1,583,238,995	913,841,206
Receivables*	6	4,559,580,864	2,211,305,404
Contract assets	18.1	49,427,127,660	45,093,986,410
Due from related parties	26.1	53,425,348	48,596,767
Short-term investments	9	344,058,432	200,838,362
Refundable deposits	14	162,843,330	152,741,454
		56,130,274,629	48,621,309,603

*Receivables excludes advances to officers and employees.

The estimated fair value of collateral and other security enhancements held against contract receivables and contract assets are presented below.

<i>(Amounts in PHP)</i>	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure
2024			
Contract receivables	6,928,861,063	20,542,658,953	-
Contract assets	48,662,599,011	91,773,492,697	-
	55,591,460,074	112,316,151,650	-
2023			
Contract receivables	1,549,074,563	11,060,916,251	-
Contract assets	45,093,986,410	78,168,084,114	-
	46,643,060,973	89,229,000,365	-

(b) Credit risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

An analysis of concentration of credit risk by location of the Group's contract receivables and contract assets, net of allowance for impairment, is shown below.

<i>(Amounts in PHP)</i>	2024	2023
Cebu	22,754,685,446	21,835,148,629
Rest of Visayas	11,485,421,026	2,545,817,311
Mindanao	17,605,869,229	15,398,918,372
Luzon	1,242,801,200	6,863,176,661
	53,088,776,901	46,643,060,973

(c) *Credit Quality*

The Group classifies cash in banks as high grade as these are deposited with reputable banks.

Other receivables, due from related parties and refundable deposits are considered to be unrated. For trade receivables, standard grade pertains to receivables with no default in payments and are effectively collateralized by the real estate inventories which can be subject to repossession upon non-payment of customers after reasonable collection effort has been exerted by the Group.

The quality of the Group's financial assets as of December 31, 2024 and 2023 is shown below.

	Neither past due not impaired			Past due but not impaired	Individually impaired	Total
	High grade	Standard grade	Unrated			
2024						
Cash	1,583,238,995	-	-	-	-	1,583,238,995
Receivables:						
Contract	-	3,530,774,464	-	100,341,741	-	3,631,116,205
Others	-	-	926,028,003	-	2,436,656	928,464,659
Contract assets	-	49,427,127,660	-	-	-	49,427,127,660
Due from related parties	-	-	53,425,348	-	-	53,425,348
Short-term investments	344,058,432	-	-	-	-	344,058,432
Refundable deposits	-	-	162,843,330	-	-	162,843,330
	1,927,297,427	52,957,902,124	1,142,296,681	100,341,741	2,436,656	56,130,274,629
2023						
Cash	913,841,206	-	-	-	-	913,841,206
Receivables:						
Contract	-	1,178,231,296	-	370,843,267	-	1,549,074,563
Others	-	-	659,988,579	-	2,242,262	662,230,841
Contract assets	-	45,093,986,410	-	-	-	45,093,986,410
Due from related parties	-	-	48,596,767	-	-	48,596,767
Short-term investments	200,838,362	-	-	-	-	200,838,362
Refundable deposits	-	-	152,741,454	-	-	152,741,454
	1,114,679,568	46,272,217,706	861,326,800	370,843,267	2,242,262	48,621,309,603

31.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored on a week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly. It maintains cash to meet its liquidity. Excess cash are invested in short-term placements.

(Amounts in PHP)	Current		Non-current	
	Within Six Months	Six to 12 Months	One to Five Years	More than Five Years
December 31, 2024				
Interest-bearing loans and borrowings	9,497,098,173	7,681,229,710	28,265,746,477	7,641,105,598
Bonds payable	168,742,525	168,742,525	5,597,779,622	-
Trade and other payables*	14,960,959,702	5,985,919,806	493,844,611	-
	24,626,800,400	13,835,892,041	34,357,370,710	7,641,105,598
December 31, 2023				
Interest-bearing loans and borrowings	9,019,543,332	8,681,210,960	27,263,099,212	7,644,652,342
Bonds payable	168,742,525	168,742,525	4,872,277,006	1,062,987,665
Trade and other payables*	18,062,302,871	274,654,434	4,801,971,020	-
	27,250,588,728	9,124,607,919	36,937,347,238	8,707,640,007

* Trade and other payables excludes output VAT, government-related obligations and advance rental.

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting periods.

32. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AND FAIR VALUE MEASUREMENTS AND DISCLOSURES

32.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown below.

(Amounts in PHP)	Notes	2024		2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
At amortized cost:					
Cash and cash equivalents	5	1,583,238,995	1,583,238,995	913,841,206	913,841,206
Receivables - net ¹	6	4,559,580,864	4,559,580,864	2,211,305,404	2,211,305,404
Due from related parties	26.1	53,425,348	53,425,348	48,596,767	48,596,767
Short-term investments	9	344,058,432	344,058,432	200,838,362	200,838,362
Refundable deposits	14	162,843,330	162,843,330	152,741,454	152,741,454
		6,703,146,969	6,703,146,969	3,527,323,193	3,527,323,193
Financial Liabilities					
At amortized cost:					
Interest-bearing loans and borrowings	15	44,652,079,931	46,603,897,194	42,188,845,736	43,660,634,271
Bonds payable	16	4,964,768,926	5,102,082,489	4,947,822,521	5,159,876,668
Trade and other payables ²	17	21,440,724,120	21,440,724,120	22,771,317,468	22,771,317,468
		71,057,572,977	73,146,703,803	69,907,985,725	71,591,828,407

¹ Receivables - net excludes advances to officers and employees.

² Trade and other payables excludes output VAT, government-related obligations and advance rental.

A description of the Group's risk management objectives and policies for financial instruments is provided in Note 31.

32.2 Offsetting of Financial Assets and Financial Liabilities

The following financial assets with net amounts presented in the consolidated statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

(Amounts in PHP)	Gross amounts recognized in the consolidated statements of financial position		Net amount presented in the consolidated statements of financial position	Related amounts set-off in the consolidated statements of financial position		Net amount
	Financial assets	Financial assets set-off		Financial instruments	Cash collateral received	
December 31, 2024						
Cash and cash equivalents	1,583,238,995	-	1,583,238,995	1,577,435,027	-	5,803,968
December 31, 2023						
Cash and cash equivalents	913,841,206	-	913,841,206	909,475,471	-	4,365,735

The following financial liabilities with net amounts presented in the consolidated statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

(Amounts in PHP)	Gross amounts recognized in the consolidated statements of financial position		Net amount presented in the consolidated statements of financial position	Related amounts set-off in the consolidated statements of financial position		Net amount
	Financial liabilities	Financial liabilities set-off		Financial instruments	Cash collateral received	
December 31, 2024						
Interest-bearing loans	44,652,079,931	-	44,652,079,931	1,577,435,027	-	43,056,897,586
December 31, 2023						
Interest-bearing loans	42,188,845,736	-	42,188,845,736	909,475,471	-	41,279,370,265

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the Group and counterparties (i.e., banks) allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

32.3 Fair Value Measurements and Disclosures

(a) Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- (b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- (c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

(b) *Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed*

The table in the succeeding page summarizes the fair value hierarchy of the Group's financial assets and financial liabilities, which are not measured at fair value in the 2024 and 2023 consolidated statements of financial position, but for which fair value is disclosed (see Note 32.1).

(Amounts in PHP)	Level 1	Level 2	Level 3	Total
2024				
<i>Financial assets:</i>				
Cash and cash equivalents	1,583,238,995	-	-	1,583,238,995
Receivables – net ¹	-	-	4,559,580,864	4,559,580,864
Due from related parties	-	-	53,425,348	53,425,348
Short-term investments	344,058,432	-	-	344,058,432
Refundable deposits	-	-	162,843,330	162,843,330
	1,927,297,427	-	4,775,849,542	6,703,146,969
<i>Financial liabilities:</i>				
Interest-bearing loans	-	-	46,603,897,194	46,603,897,194
Bonds payable	-	-	5,102,082,489	5,102,082,489
Trade and other payables	-	-	21,118,993,305	21,118,993,305
	-	-	72,824,972,988	72,824,972,988
2023				
<i>Financial assets:</i>				
Cash and cash equivalents	913,841,206	-	-	913,841,206
Receivables – net ¹	-	-	2,211,305,405	2,211,305,405
Due from related parties	-	-	48,596,767	48,596,767
Short-term investments	200,838,362	-	-	200,838,362
Refundable deposits	-	-	152,741,453	152,741,453
	1,114,679,568	-	2,412,643,625	3,527,323,193
<i>Financial liabilities:</i>				
Interest-bearing loans	-	-	43,660,634,271	43,660,634,271
Bonds payable	-	-	5,159,876,668	5,159,876,668
Trade and other payables	-	-	22,771,317,468	22,771,317,468
	-	-	71,591,828,407	71,591,828,407

¹ Receivables excludes advances to officers and employees.

² Trade and other payables excludes output VAT, government-related obligations and advance rental.

For the Group's financial assets and financial liabilities, which are measured at amortized cost, management has determined that their carrying amounts are equal to or approximate their fair values, except for interest-bearing loans and borrowings, because of their short-term nature.

(c) *Fair Value Measurement for Non-financial Assets*

The Group has no non-financial assets measured at fair value as at December 31, 2024 and 2023.

The table below shows the Levels within the hierarchy of investment property, which are not carried at fair value but whose fair value are required to be disclosed on a recurring basis.

(Amounts in PHP)	Level 1	Level 2	Level 3	Total
December 31, 2024	-	-	22,139,376,787	22,139,376,787
December 31, 2023	-	-	18,422,843,422	18,422,843,422

In 2024 and 2023, the fair value of the Group's Investment Properties is determined on the basis of the appraisals performed by an independent external appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations.

To some extent, the valuation process was conducted by the appraiser in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the parcels of land and buildings, and the comparable prices in the corresponding property location.

The fair value of these parcels of land, condominium units, parking units, construction-in-progress and retail building were determined based on the following approaches:

(i) *Fair Value Measurement for Land, Condominium Units, Parking units and Retail Buildings*

The Level 3 fair value of the parcels of land, condominium units, retail building and parking slots under Investment Properties account was determined using the market approach, adjusted for differences in key attributes such as properties size, zoning and accessibility.

Under the market approach, when comparable lease offerings of similar properties and sales prices of comparable land properties in close proximity are used in the valuation of the subject property with insignificant adjustment on the price, fair value is included in Level 2. Consequently, if the observable recent prices of the reference properties were adjusted significantly for differences in key attributes such as properties size, zoning and accessibility, the fair value is included in Level 3. The most significant input into this valuation approach is the price per square foot; hence, the higher the price per square foot, the higher the fair value.

(ii) *Fair Value Measurement for Improvements under Retail Buildings*

The Level 3 fair value of building improvements presented as part of retail buildings under Investment Properties account was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

There has been no change on the valuation techniques used by the Group, except as indicated above, during the period for its investment properties. There were no transfers into or out of Level 2 fair value hierarchy for the years ended December 31, 2024 and 2023.

33. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity as presented in the consolidated statements of financial position. Capital for the reporting periods under review is summarized as follows:

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – See Note 2)
Total interest-bearing loans and borrowings and bonds payable	49,616,848,857	47,136,668,257
Total equity	30,306,119,405	23,453,111,077
Debt-to-equity ratio	1.64:1.00	2.01:1.00

The Group's goal in capital management is to limit a maximum debt-to-equity structure ratio of 75:25 on a monthly basis. The Group is required to maintain certain financial ratios in relation with its borrowings (see Note 15.2). The Group has complied with its covenant obligations for both years ended December 31, 2024 and 2023.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group also monitors its debt coverage ratio (DCR) in each of the reporting periods. As at December 31, 2024 and 2023, the Group's DCR is 1.58:1.00 and 1.97:1.00, respectively.

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of the Group's liabilities arising from financing activities, which includes both cash and non-cash changes.

<i>(Amounts in PHP)</i>	Bank Loans (see Note 15)	Lease Liabilities (see Note 12.2)	Bonds Payable (see Note 16)	Total
Balance as of January 1, 2024	42,188,845,736	1,262,856,055	4,947,822,521	48,399,524,312
Cash flows from financing activities:				
Additional borrowings - net	17,475,143,091	-	-	17,475,143,091
Repayments	(15,162,165,054)	(53,505,133)	-	(15,215,670,187)
Non-cash financing activities:				
Amortization of debt issue cost	150,256,158	-	16,946,405	167,202,563
Interest amortization on lease obligation	-	81,997,700	-	81,997,700
Balance at December 31, 2024	44,652,079,931	1,291,348,622	4,964,768,926	50,908,197,479
Balance as of January 1, 2023	35,062,290,611	1,237,059,483	4,930,582,631	41,229,932,725
Cash flows from financing activities:				
Additional borrowings - net	12,943,572,214	-	-	12,943,572,214
Repayments	(5,791,848,745)	(54,646,634)	-	(5,846,495,379)
Reclassifications	(154,500,000)	-	-	(154,500,000)
Non-cash financing activities:				
Amortization of debt issue cost	129,331,655	-	17,239,890	146,571,545
Interest amortization on lease obligation	-	80,167,300	-	80,167,300
Amendment of lease contract	-	275,906	-	275,906
Balance at December 31, 2023	42,188,845,735	1,262,856,055	4,947,822,521	48,399,524,311
Balance as of January 1, 2022	32,021,719,390	1,126,130,301	-	33,147,849,691
Cash flows from financing activities:				
Additional borrowings - net	11,749,374,715	-	4,926,627,631	16,676,002,346
Repayments	(8,807,422,731)	(17,574,742)	-	(8,824,997,473)
Non-cash financing activities:				
Amortization of debt issue cost	98,619,237	-	3,955,000	102,574,237
Interest amortization on lease obligation	-	75,629,879	-	75,629,879
Amendment of lease contract	-	52,874,045	-	52,874,045
Balance at December 31, 2022	35,062,290,611	1,237,059,483	4,930,582,631	41,229,932,725

35. SUPPLEMENTAL INFORMATION ON NON-CASH INVESTING AND FINANCING ACTIVITIES

Discussed below are the supplemental information on non-cash investing and financing activities relative to the consolidated statements of cash flows of the Group.

- (a) The Group recognized additional Right-of-Use assets and Lease Liabilities amounting to P5,176,039 in 2024, P275,906 due to amendment of a lease contract in 2023 and P52,874,045 due to new lease contracts in 2022 (see Notes 12 and 34).
- (b) In 2024, 2023 and 2022, borrowing costs that were capitalized as part of Property and Equipment and Investment Properties totaled to P1,578,497,457, P917,080,738 and P543,556,861, respectively (see Notes 7, 11, 13 and 15).
- (c) In 2024, 2023 and 2022, the Group recognized unpaid construction costs of P1,597,110,016, P2,126,087,766 and P2,339,738,833, respectively, in Property and Equipment and Investment Properties (see Notes 11 and 13).
- (d) In 2024, the Group reclassified assets from Investment Properties totaling P1,291,548,786 and P2,536,188 to Real Estate Inventories and Property Equipment. In 2023, the Group reclassified assets from Investment Properties totaling P1,220,235,831 and P502,646 to Real Estate Inventories and Property and equipment. In 2022, the group reclassified assets from Investment Properties totaling P729,713,956 and P1,301,034,975 to Real Estate Inventories and Property Equipment, respectively (see Notes 7, 11 and 13).
- (e) On November 21, 2024, BOD approved the declaration of cash dividends on CLI's Series A-1 and A-2 preferred shares amounting to P18.96 per share and P20.63 per share, respectively with record date of April 2, 2025, July 2, 2025 and October 2, 2025, respectively and will be paid on April 12, 2025, July 12, 2025 and October 12, 2025, respectively (see Note 27). Dividends payable amounting to P339,406,706 is presented as Dividends payable under Trade and Other Payables in the 2024 statement of financial position.

In 2023, BL Ventures declared dividends amounting to P16,800,000 of which P8,400,000 is still outstanding and payable to shareholders as at December 31, 2023. The amount was paid in full as at December 31, 2024.

- (f) On November 21, 2024, the BOD approved the Parent Company's intent to enter into negotiations with ABS for the sale 30% of its shareholdings with CLI NUD in the amount of P237,832,347, reclassifying portion of the investment in joint venture to NCAHFS (see Note 10).

**Report of Independent Auditors
to Accompany Supplementary
Information Required by the
Securities and Exchange Commission
Filed Separately from the Basic
Consolidated Financial Statements**

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**The Board of Directors and Stockholders
Cebu Landmasters, Inc. and Subsidiaries
(A Subsidiary of A B Soberano Holdings Corp.)**

10th Floor, Park Centrale Tower
Jose Ma. Del Mar St., B2 L3
Cebu I.T. Park, Brgy., Apas
Cebu City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Cebu Landmasters, Inc. and Subsidiaries (the Group) for the years ended December 31, 2024 and 2023, on which we have rendered our report dated April 9, 2025. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission. Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO


By: Renan A. Piamonte
Partner

CPA Reg. No. 0107805
TIN 221-843-037
PTR No. 10465913, January 2, 2025, Makati City
BIR AN 08-002511-037-2022 (until October 13, 2025)
BOA/PRC Cert. of Reg. No. 0002/P-010 (until August 12, 2027)

April 9, 2025

Cebu Landmasters, Inc. and Subsidiaries
(A Subsidiary of A B Soberano Holdings Corp.)
List of Supplementary Information
December 31, 2024

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CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
Schedule A - Financial Assets
December 31, 2024

<i>Type of securities</i>	<i>Amount Shown in the Statement of Financial Position</i>		<i>Income Received and Accrued</i>	
<u>Financial Assets at Amortized Cost</u>				
Cash and Cash Equivalents				
Cash in banks	P	1,351,646,121	P	7,207,269
Short-term placements		225,788,906		13,375,154
Cash on hand		<u>5,803,968</u>		<u>-</u>
		<u>1,583,238,995</u>		<u>20,582,423</u>
Receivables				
Contract receivables		3,631,116,205		-
Retention receivable		228,839,768		-
Management fee receivables		151,382,428		-
Receivable from insurance		9,473,355		-
Rent receivable		90,307,660		-
Other receivables		<u>448,461,448</u>		<u>-</u>
		<u>4,559,580,864</u>		<u>-</u>
Due from Related Parties		<u>53,425,348</u>		<u>-</u>
Prepayments and Other Current Assets				
Short-term investments		<u>344,058,432</u>		<u>-</u>
Other Non-Current Assets				
Refundable deposits		<u>162,843,330</u>		<u>-</u>
Total	P	<u>6,703,146,969</u>	P	<u>20,582,423</u>

Cebu Landmasters, Inc. and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Affiliates)
December 31, 2024

Name and designation of debtor				Deductions		Ending Balance		Balance at end of period
	Balance at beginning of period	Additions	Reclassification	Amounts collected	Amounts Written off	Current*	Not-current**	
Entities Under Common Ownership:								
Condominium Corporation								
Base Line Center Condo Corporation	P 15,736,623	P 6,242,331	p -	P -	P -	P 21,978,954	P -	P 21,978,954
Casa Mira Towers Labangon	6,291,282	747,582	-	-	-	7,038,864	-	7,038,864
Mesatierra Garden Residences Condominium Corporation	5,217,587	-	-	(5,453,268)	-	(235,681)	-	(235,681)
Baseline Residences Condo Corporation	2,749,658	879,342	-	-	-	3,629,000	-	3,629,000
Latitude Corporate Center Condo Corp	2,605,747	-	-	(1,152,714)	-	1,453,033	-	1,453,033
Mivesa Garden Residences Condo Corporation	1,810,384	23,957,805	-	(18,000,000)	-	7,768,190	-	7,768,190
Mesaverte Residences Condominium Corporation	1,033,048	326,041	-	-	-	1,359,089	-	1,359,089
Midori Residences Condo Corporation	323,904	119,940	-	-	-	443,844	-	443,844
Asia Premier Condo Corporation	302,046	33,077	-	-	-	335,123	-	335,123
Mesavirre Garden Residences Condominium Corporation	172,876	-	-	(87,707)	-	85,169	-	85,169
38 Park Avenue Condominium Corporation	75,218	-	-	(9,898)	-	65,320	-	65,320
Casa Mira Towers Guadalupe Condominium Corp	42,000	269,638	-	(47,866)	-	263,772	-	263,772
Mivela Garden Residences Condominium Corporation	-	163,275	-	-	-	163,275	-	163,275
Park Centrale Condo Corporation	(775,337)	-	-	(216,346)	-	(991,683)	-	(991,683)
	<u>35,585,036</u>	<u>32,739,031</u>	<u>-</u>	<u>(24,967,798)</u>	<u>-</u>	<u>43,356,270</u>	<u>-</u>	<u>43,356,270</u>
Homeowners' Associations								
Casa Mira South	3,607,443	96,831	-	-	-	3,704,274	-	3,704,274
Casa Mira Linao	1,544,423	12,448	-	-	-	1,556,871	-	1,556,871
Velmiro Heights	678,047	157,915	-	-	-	835,962	-	835,962
Midori Plains	544,204	24,243	-	-	-	568,446	-	568,446
Casa Mira Coast	270,754	474,496	-	(11,527)	-	733,723	-	733,723
San Josemaria Villages	255,019	-	-	(27,665)	-	227,354	-	227,354
Villa Casita North	14,382	-	-	(9,400)	-	4,982	-	4,982
Velmiro Uptown	(172,443)	-	-	(310,745)	-	(483,188)	-	(483,188)
	<u>6,741,829</u>	<u>765,933</u>	<u>-</u>	<u>(359,337)</u>	<u>-</u>	<u>7,148,425</u>	<u>-</u>	<u>7,148,425</u>
Others								
Regalos de Cebu	2,194,298	-	-	(621,020)	-	1,573,278	-	1,573,278
AB Soberano International Corp	1,687,466	-	-	-	-	1,687,466	-	1,687,466
CLI Water, Inc.	-	303,880	-	-	-	303,880	-	303,880
Cebu Landmasters Foundation, Inc.	<u>28,142</u>	<u>4,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,642</u>	<u>-</u>	<u>32,642</u>
	<u>3,909,906</u>	<u>308,380</u>	<u>-</u>	<u>(621,020)</u>	<u>-</u>	<u>3,597,266</u>	<u>-</u>	<u>3,597,266</u>
	<u>46,236,771</u>	<u>33,813,345</u>	<u>-</u>	<u>(25,948,155)</u>	<u>-</u>	<u>54,101,961</u>	<u>-</u>	<u>54,101,961</u>
Associates								
Magspeak Nature Park Inc	72,130	-	-	(72,130)	-	0	-	0
CLI NUD Ventruas, Inc.	-	10,692	-	-	-	10,692	-	10,692
Iloilo Global City Corporation	2,328,000	-	-	(2,328,000)	-	-	-	-
ICOM Air Corporation	(40,134)	(647,172)	-	-	-	(687,305)	-	(687,305)
	<u>2,359,997</u>	<u>(636,480)</u>	<u>-</u>	<u>(2,400,130)</u>	<u>-</u>	<u>(676,613)</u>	<u>-</u>	<u>(676,613)</u>
Joint Venture								
CLI NUD Ventures, Inc.	-	2,044,110,637	-	(1,798,041,687)	-	246,068,950	-	246,068,950
Ultimate Parent Company								
	<u>685,584</u>	<u>854,062,500</u>	<u>-</u>	<u>(17,081,250)</u>	<u>-</u>	<u>837,666,834</u>	<u>-</u>	<u>837,666,834</u>
Key Management Personnel								
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	P 49,282,352	P 2,931,350,002	P -	(P 1,843,471,221)	P -	P 1,137,161,133	p -	P 1,137,161,133

*Due within one year

**Due beyond one year

Cebu Landmasters, Inc. and Subsidiaries
Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
December 31, 2024

Name and Designation of debtor				Deductions				
	Balance at beginning of period	Additions	Reclassification	Amounts collected	Amounts written off	Current*	Non-current**	Balance at end of period
El Camino Developers Cebu, Inc.	P 383,711,746	₱ 43,728,029	P	(P 419,104,130)		P 8,335,645	P -	P 8,335,645
Yuson Excellence Soberano, Inc.	113,369,451	17,749,876		(128,211,564)		2,907,763	-	2,907,763
Cebu Homegrown Developers, Inc.	34,736,425	237,968,471		(34,294,736)		238,410,159	-	238,410,159
Cebu Landmasters Property Management, Inc.	29,156,913	42,572,604		(17,247,608)		54,481,910	-	54,481,910
BL CBP Ventures, Inc.	28,546,357	110,514,689		(16,052,115)		123,008,931	-	123,008,931
CLI Premier Hotels Int'l. Inc.	20,202,450	28,446,117		(30,715,258)		17,933,309	-	17,933,309
Cebu BL-Ramos Ventures, Inc.	12,356,218	12,151,391		(21,453,161)		3,054,448	-	3,054,448
CCLI Premier Hotels Int'l. Inc.	11,201,786	95,385,542		(841,917)		105,745,411	-	105,745,411
YHEST Realty and Development Corporation	9,986,671	70,895,997		(75,560,906)		5,321,762	-	5,321,762
GGTT Realty Corporation	5,532,349	23,191,836		(5,973,214)		22,750,971	-	22,750,971
Sugbo Prime Estate, OPC.	2,999,124	24,849,979		(4,720,914)		23,128,189	-	23,128,189
Yuson Huang Excellence Soberano, Inc.	2,661,785	12,929,640		(11,720,689)		3,870,736	-	3,870,736
Mivesa Garden Residences, Inc.	1,177,907	14,819,861		(15,719,871)		277,898	-	277,898
CLI Hotels and Resorts, Inc.	277,810	1,889,791		(2,000,000)		167,601	-	167,601
CLI-LITE Panglao, Inc.	52,108	10,568,869		(9,740,029)		880,948	-	880,948
Ming-mori Development Corporation	-	-	-	-	-	-	-	-
	P 655,969,100	P 747,662,692	-	(P 793,356,112)	P -	P 610,275,679	P -	P 610,275,679

*Due within one year

**Due beyond one year

Cebu Landmasters, Inc. and Subsidiaries
Schedule D - Long-Term Debt
December 31, 2024

<i>Title of issue and type of obligation</i>		<i>Amount shown under caption "Current portion of long-term debt" in related Statement of Financial Position</i>		<i>Amount shown under caption "Long-Term Debt" in related Statement of Financial Position</i>	<i>Interest Rate</i>	<i>No. of Periodic Installments</i>	<i>Maturity Date</i>
<i>Promissory notes</i>							
Bank of the Philippine Islands	P	2,246,975,077	P	4,203,220,172	6.5% to 8.35%	Various	1/6/2025 to 5/27/2034
Land Bank of the Philippines		1,383,284,064		1,008,161,145	5% to 7.50%	Various	5/30/2028 to 8/30/2029
BDO Unibank Inc.		296,183,833		166,264,682	6.38% to 8.37%	Various	5/13/2025 to 7/25/2027
Bank of Commerce	-	-		978,707,440	7.23% to 8.75%	Various	11/9/2028 to 3/3/2029
Development Bank of the Philippines		658,014,181		3,325,806,628	5% to 8.5%	Various	1/15/2025 to 5/20/2034
China Banking Corporation		865,666,667		4,346,042,284	6.65% to 8.25%	Various	3/26/2025 to 5/1/2034
Rizal Commercial Banking Corporation		168,307,692		2,373,541,023	8% to 8.75%	Various	3/13/2025 to 12/15/2030
RCBC Capital Corporation		100,000,000		750,042,466	7.25% to 7.5%	Various	3/26/2025 to 12/15/2030
Philippine National Bank		1,418,917,195		460,661,482	4.75% to 7.96%	Various	1/25/25 to 3/18/2025
Philippine Veterans Bank		300,000,000		299,588,047	7%	Various	1/25/2025
Union Bank of the Philippines		600,000,000		408,077,573	7%	Various	12/19/2025 to 4/26/2027
Asia United Bank		37,500,000		305,685,163	6.25% to 6.75%	Various	03/17/27 to 6/16/28
Philippine Commercial Capital Inc		40,000,000	-	-	8%	Various	12/2/2025
Security Bank		321,897,590		444,007,977	7%	Various	10/28/2025
		8,436,746,299		19,069,806,084			
<i>Corporate notes</i>							
Bank of the Philippine Islands		305,385,166		880,443,071	3.54% to 7.25%	Various	12/20/25 to 04/28/27
Land Bank of the Philippines		158,250,057		1,663,426,557	4.23% to 6.63%	Various	08/02/28 to 03/10/30
BDO Unibank Inc.		461,063,665		449,290,631	7.25%	Various	12/20/25
Development Bank of the Philippines		183,284,258		1,231,182,369	3.54% to 4.66%	Various	04/28/27
China Banking Corporation		150,539,935		2,752,970,645	3.46% to 7.25%	Various	09/04/25 to 10/10/28
Rizal Commercial Banking Corporation		113,233,361		1,155,504,165	3.46% to 4.66%	Various	09/04/25 to 04/28/27
Social Security System		119,910,225		123,566,006	3.460%	Various	09/04/25
		1,491,666,667		8,256,383,445			
<i>CTS (Loans)</i>							
Bank of the Philippine Islands	-	-		104,801,357	7.5% to 8.35%	Various	12/29/25 to 08/05/26
China Banking Corporation	-	-		3,196,337,718	7.750%	Various	09/22/25 to 06/27/26
Rizal Commercial Banking Corporation	-	-		3,431,159,701	7.500%	Various	08/30/25 to 10/31/26
Security Bank				478,178,660	7.200%	Various	9/30/2026 to 12/6/26
	-	-		7,210,477,436			
<i>Bonds</i>							
Philippine Depository & Trust	-	-		4,964,768,926	6.42% to 7.36%	1	4/7/26 to 10/7/29
<i>Loans to partners</i>							
IBC Holdings Co.		82,000,000	-	-	-	-	12/31/2024
Borromeo Bros Estate, Inc.		105,000,000	-	-	6.250%	Various	5/11/2024 to 7/29/2024
		187,000,000		-			
	P	10,115,412,966	P	39,501,435,891			

Cebu Landmasters, Inc. and Subsidiaries
Schedule E - Indebtedness to Related Parties
December 31, 2024

<i>Name of related party</i>	<i>Balance at beginning of period</i>	<i>Balance at end of period</i>

NOT APPLICABLE

Cebu Landmasters, Inc. and Subsidiaries
Schedule F - Guarantees of Securities of Other Issues
December 31, 2024

<i>Name of issuing entity of securities guaranteed by the company for which this statement is filed</i>	<i>Title of issue of each class of securities guaranteed</i>	<i>Total amount guaranteed and outstanding</i>	<i>Amount owned by person for which statement is filed</i>	<i>Nature of guarantee</i>

NOT APPLICABLE

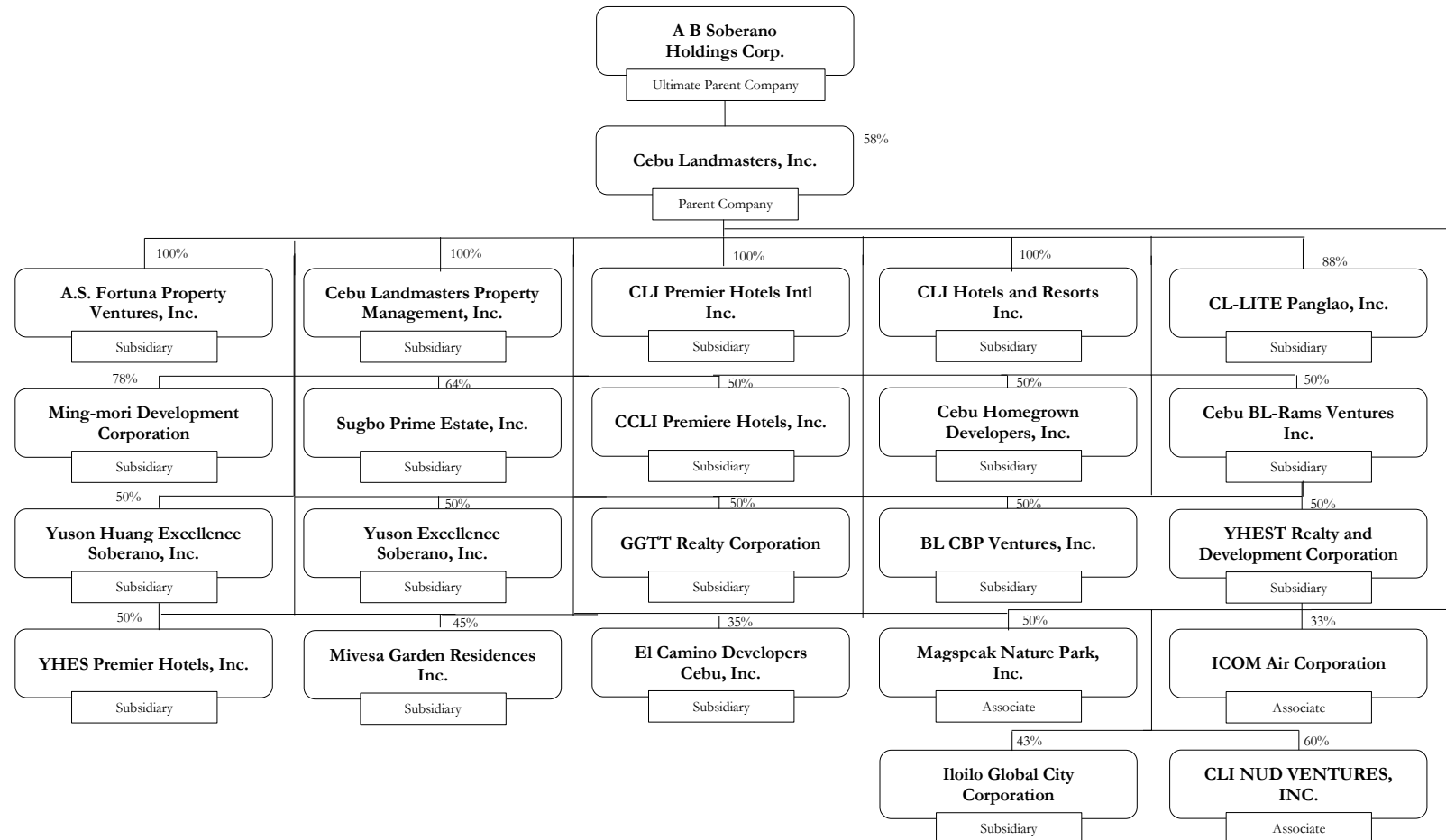
Cebu Landmasters, Inc. and Subsidiaries
Schedule G - Capital Stock
December 31, 2024

				Number of shares held by		
<i>Title of Issue</i>	<i>Number of shares authorized</i>	<i>Number of shares issued and outstanding as shown under the related Statement of Financial Position caption</i>	<i>Number of shares reserved for options, warrants, conversion and other rights</i>	<i>Related parties</i>	<i>Directors, officers and employees</i>	<i>Others</i>
Common shares - P1.00 par value						
Authorized	9,000,000,000					
Issued and outstanding		3,623,451,997	158,250,530	2,288,870,095	48,502,500	1,286,079,402
Preferred Shares:						
Authorized						
Series A– P1.00 par value	1,000,000,000					
Series B – P0.10 par value	1,000,000,000					
Issued and outstanding						
Series A-1 (CLIA1)		2,063,360	-	-	-	-
Series A-2 (CLIA2)		2,216,980	-	-	-	-

CEBU LANDMASTERS, INC. AND SUBSIDIARIES

Map Showing the Relationship Between and Among the Company
and its Ultimate Parent, Subsidiaries, and Associates

December 31, 2024



Cebu Landmasters, Inc. and Subsidiaries
10th Floor, Park Centrale Tower, Jose Ma. Del Mar St., B2 L3, Cebu I.T. Park, Brgy., Apas, Cebu City
Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2024

Unappropriated Retained Earnings at Beginning of Year		P	2,468,821,650
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings			
Reversal of Retained Earning Appropriation/s	3,691,083,696		
Effect of restatements or prior-period adjustments	2,128,529,128		
Others	-		5,819,612,824
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings			
Dividend declaration during the reporting period	(1,132,846,321)		
Retained Earnings appropriated during the reporting period	-		
Effect of restatements or prior-period adjustments	-		
Others	-	(1,132,846,321)	
Unappropriated Retained Earnings at Beginning of Year, as adjusted			7,155,588,153
Add/Less: Net Income (Loss) for the Current Year			2,942,278,082
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)			
Equity in net income of associate/joint venture, net of dividends declared	(872,605,465)		
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-		
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-		
Unrealized fair value gain of investment property	-		
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS	-		
Sub-total		(872,605,465)	
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)			
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-		
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-		
Realized fair value gain of investment property	-		
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-		
Sub-total			-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)			
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-		
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instrument at FVTPL	-		
Reversal of previously recorded fair value gain of investment property	-		
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-		
Sub-total			-
Adjusted Net Income/Loss		P	9,225,260,770
Add: Category D: Non-actual lossess recognized in profit or loss during the reporting period (net of tax)			
Depreciation on revaluation increment (after tax)	-		
Sub-total			-
Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP			
Amortization of the effect of reporting relief	-		
Total amount of reporting relief granted during the year	-		
Others	-		
Sub-total			-
Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution			
Net movement of treasury shares (except for reacquisition of redeemable shares)	-		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	45,329,584		
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-		
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-		
Others	-		
Sub-total			45,329,584
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year		P	9,270,590,354

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
Supplemental Schedule of Financial Soundness Indicators
December 31, 2024 and 2023
(Amounts in Philippine Pesos)

Ratio	Formula	2024	Formula	2023
Current ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets 47,640,752,757 Divide by: Total Current Liabilities 31,627,957,820 Current Ratio 1.51	1.51	Total Current Assets divided by Total Current Liabilities Total Current Assets 52,785,208,234 Divide by: Total Current Liabilities 34,999,214,802 Current Ratio 1.51	1.51
Acid test ratio	Quick assets (Cash and cash equivalents plus Current Receivables and Current Contract Assets and Due from Related Parties) divided by Total Current Liabilities Cash and cash equivalents 1,583,238,995 Add: Current Receivables 4,481,590,912 Current Contract Assets 20,843,159,851 Due from Related Parties 53,425,348 Quick Assets 26,961,415,106 Divide by: Total Current Liabilities 31,627,957,820 Acid test ratio 0.85	0.85	Quick assets (Cash and cash equivalents plus Current Receivables and Current Contract Assets and Due from Related Parties) divided by Total Current Liabilities Cash and cash equivalents 913,841,206 Add: Current Receivables 2,093,139,231 Current Contract Assets 26,225,182,718 Due from Related Parties 48,596,767 Quick Assets 29,280,759,922 Divide by: Total Current Liabilities 34,999,214,802 Acid test ratio 0.84	0.84
Solvency ratio	Total Liabilities divided by Total Assets Total Liabilities 78,696,405,437 Divide by: Total Assets 109,002,524,842 Solvency ratio 0.72	0.72	Total Liabilities divided by Total Assets Total Liabilities 76,994,963,242 Divide by: Total Assets 100,448,074,319 Solvency ratio 0.77	0.77
Debt-to-equity ratio	Total Liabilities divided by Total Equity Total Liabilities 78,696,405,437 Divide by: Total Equity 30,306,119,405 Debt-to-equity ratio 2.60	2.60	Total Liabilities divided by Total Equity Total Liabilities 76,994,963,242 Divide by: Total Equity 23,453,111,077 Debt-to-equity ratio 3.28	3.28
Assets-to-equity ratio	Total Assets divided by Total Equity Total Assets 109,002,524,842 Divide by: Total Equity 30,306,119,405 Assets-to-equity ratio 3.60	3.60	Total Assets divided by Total Equity Total Assets 100,448,074,319 Divide by: Total Equity 23,453,111,077 Assets-to-equity ratio 4.28	4.28
Interest rate coverage ratio	Earnings before interest and taxes (EBIT) divided by Interest expense Profit before tax 5,227,779,304 Cash and Cash Equivalents 1,583,238,995 Depreciation & Amortization 175,519,160 Add: Interest charged to: Cost of Sales - Finance cost 2,102,801,908 EBIT 9,089,339,367 Divide by: Interest Expense* 1,830,937,556 Interest rate coverage ratio 4.96 <i>*Includes 1,578,497,457 interest capitalized as part of property and equipment, and investment property</i>	4.96	Earnings before interest and taxes (EBIT) divided by Interest expense Profit before tax 5,682,849,149 Cash and Cash Equivalents 913,841,206 Depreciation & Amortization 186,911,151 Add: Interest charged to: Cost of Sales - Finance cost 2,272,732,814 EBIT 9,056,334,320 Divide by: Interest Expense* 2,187,811,210 Interest rate coverage ratio 4.14 <i>*Includes 917,080,738 interest capitalized as part of property and equipment, and investment property</i>	4.14
Return on equity	Net Profit divided by Total Ave. Equity Net Profit 3,997,848,977 Divide by: Total Ave. Equity 26,879,615,240 Return on equity 15%	15%	Net Profit divided by Total Ave. Equity Net Profit 3,835,669,997 Divide by: Total Ave. Equity 21,464,715,080 Return on equity 18%	18%
Return on assets	Net Profit divided by Total Ave. Assets Net Profit 3,997,848,977 Divide by: Total Ave. Assets 104,725,299,580 Return on assets 4%	4%	Net Profit divided by Total Ave. Assets Net Profit 3,835,669,997 Divide by: Total Ave. Assets 92,185,537,130 Return on assets 4%	4%
Net profit margin	Net Profit divided by Revenues Net Profit 3,997,848,977 Divide by: Total Revenue 19,525,343,389 Return on assets 20%	20%	Net Profit divided by Revenues Net Profit 3,835,669,997 Divide by: Total Revenue 18,818,413,368 Return on assets 20%	20%
Other ratio				
Gross profit margin	Gross Profit divided by Total Revenue Gross Profit 10,169,115,008 Divide by: Total Revenue 19,525,343,389 Gross profit margin 52%	52%	Gross Profit divided by Total Revenue Gross Profit 10,415,613,454 Divide by: Total Revenue 18,818,413,368 Gross profit margin 55%	55%

Cebu Landmasters, Inc. and Subsidiaries
Supplementary Schedule of External Auditor Fee-Related Information
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Total Audit Fees	P 2,640,000	P 2,400,000
Non-audit service fees:		
Other assurance service	-	-
Tax service	-	-
All other service	<u>3,180,000</u>	<u>2,700,000</u>
Total Non-Audit Fees	<u>3,180,000</u>	<u>2,700,000</u>
Total Audit and Non-audit Fees	<u>P 5,820,000</u>	<u>P 5,100,000</u>

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	3	2	1	2	4	0

Company Name

C	E	B	U		L	A	N	D	M	A	S	T	E	R	S	,		I	N	C	.								
(	A		S	u	b	s	i	d	i	a	r	y		o	f		A		B		S	o	b	e	r	a	n	o	
H	o	l	d	i	n	g	s		C	o	r	p	.	)															

Principal Office (No./Street/Barangay/City/Town)Province)

1	0	T	H		F	L	O	O	R		P	A	R	K		C	E	N	T	R	A	L	E		T	O	W	E	R
J	O	S	E		M	A	.		D	E	L		M	A	R		S	T	.		B	2		L	3	,			
C	E	B	U		I	.	T	.		P	A	R	K	,		B	R	G	Y	.		A	P	A	S	,			
C	E	B	U		C	I	T	Y	,		P	H	I	L	I	P	P	I	N	E	S		6	0	0	0			

Form Type

A	F	S	2	4

Department requiring the report

S	E	C	

Secondary License Type, If Applicable

COMPANY INFORMATION

Company's Email Address

jggarde@cebulandmasters.com

Company's Telephone Number/s

(032) 231 4914

Mobile Number

N/A

No. of Stockholders

22

Annual Meeting
Month/Day

1st Friday of July

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Jose R. Soberano III

Email Address

ceo@cebulandmasters.com

Telephone Number/s

(032) 231 4914

Mobile Number

Contact Person's Address

10th floor, Park Centrale Tower, Jose Ma. del Mar St., B2 L3, Cebu I.T. Park, Brgy. Apas, Cebu City

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

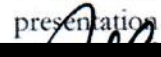
The management of **Cebu Landmasters, Inc.** (the Company) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the fiscal years ended **December 31, 2024, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


Jose R. Soberano III

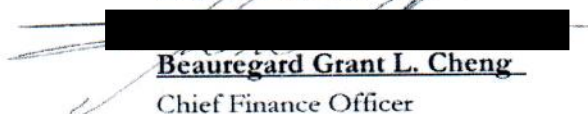
Chairman of the Board, Chief Executive Officer and President

TIN: 108-729-320-000


Ma. Rosario B. Soberano

Executive Vice President and Treasurer

TIN: 106-129-910-000


Beauregard Grant L. Cheng

Chief Finance Officer

TIN: 205-557-510-000

Signed this ____ day of APR 09 2025 2025.

SUBSCRIBED AND SWORN to before me this APR 09 2025 at **TALISAY CITY, CEBU**
affiants exhibiting to me their respective Tax Identification Nos.

Doc No. 296 ;
Page No. 61 ;
Book No. 14 ;
Series of 2015


ATTY. LARRY M. G. VELOSO

Notary Public

Talisay City and Naga City, Cebu

Commission No. 2017-05-E, December 31, 2026
10th Floor, Park Central, J.M. del Mar St., Cebu I.T. Park, Apas, Cebu City
Tel. No. (032) 231-4914 & (032) 231-4870 or Telefax (032) 231-5073

PTR No. 1381571; 11-19-2024; Cebu Province

IBP No. 472966; 10-24-2024; Cebu Chapter

Block 1, Lot 11, San Josemaria Village, Maghaway,
Talisay City, Cebu, Philippines 6045



Mark Anthony Yu <myucliacctg@gmail.com>

Your BIR AFS eSubmission uploads were received

1 message

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Tue, Apr 15, 2025 at 2:12 PM

To: MYUCLACCTG@gmail.com

Cc: MYUCLACCTG@gmail.com

Hi CEBU LANDMASTERS INC,

Valid files

- EAFS227599320AFSTY122024.pdf
- EAFS227599320ITRTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-MR1TQMW3085LK9A6HNYTWM2VX0B9JC7EGH**Submission Date/Time: **Apr 15, 2025 02:12 PM**Company TIN: **227-599-320**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

Financial Statements and
Independent Auditors' Report

Cebu Landmasters, Inc.

December 31, 2024, 2023 and 2022
(With Corresponding Figures as of January 1, 2023)

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and Stockholders
Cebu Landmasters, Inc.
(A Subsidiary of A B Soberano Holdings Corp.)
10th Floor, Park Centrale Tower
Jose Ma. Del Mar St., B2 L3
Cebu I.T. Park, Brgy. Apas
Cebu City, Philippines

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cebu Landmasters, Inc. (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the financial statements, which discusses the adoption and impact of the previously deferred provisions of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry, using the full retrospective approach. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2024 required by the Bureau of Internal Revenue as disclosed in Note 33 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO


By: Renan A. Piamonte
Partner

CPA Reg. No. 0107805

TIN 221-843-037

PTR No. 10465913, January 2, 2025, Makati City

BIR AN 08-002511-037-2022 (until October 13, 2025)

BOA/PRC Cert. of Reg. No. 0002/P-010 (until August 12, 2027)

April 9, 2025

CEBU LANDMASTERS, INC.
(A Subsidiary of A B Soberano Holdings Corp.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(With Corresponding Figures as of January 1, 2024)
(Amounts in Philippine Pesos)

			December 31, 2023 (As Restated - see Note 2)	January 1, 2023 (As Restated - see Note 2)
	Notes	December 31, 2024		
<u>A S S E T S</u>				
CURRENT ASSETS				
Cash and cash equivalents	4	P 667,937,940	P 441,670,591	P 465,354,066
Receivables	5	2,764,806,240	1,465,941,409	2,497,006,115
Contract assets	17	15,436,691,263	19,482,468,256	14,063,209,951
Due from related parties	25	664,246,029	698,510,600	1,481,499,405
Real estate inventories	6	6,000,151,302	7,540,376,650	7,552,277,288
Deposits on land for future development	7	-	-	121,996,729
Prepayments and other current assets	8	4,552,061,352	4,194,661,169	2,340,624,416
		30,085,894,126	33,823,628,675	28,521,967,970
Non-current asset classified as held for sale	9	237,832,347	-	-
Total Current Assets		30,323,726,473	33,823,628,675	28,521,967,970
NON-CURRENT ASSETS				
Receivables	5	128,161,471	156,093,837	106,500,219
Contract assets	17	18,764,293,954	13,235,300,241	11,323,558,221
Investments in subsidiaries, associates and a joint venture	9	11,581,398,627	9,345,133,685	6,865,126,687
Property and equipment - net	10	7,447,881,660	6,012,622,261	4,076,726,251
Right-of-use assets - net	11	867,255,016	887,603,255	910,749,954
Investment properties - net	12	10,526,703,657	9,570,958,321	9,937,376,563
Other non-current assets - net	13	1,852,054,722	1,539,183,844	1,258,879,680
Total Non-current Assets		51,167,749,107	40,746,895,444	34,478,917,575
TOTAL ASSETS		P 81,491,475,580	P 74,570,524,119	P 63,000,885,545
<u>LIABILITIES AND EQUITY</u>				
CURRENT LIABILITIES				
Interest-bearing loans and borrowings	14	P 8,542,986,476	P 10,443,628,947	P 7,521,349,177
Trade and other payables	16	12,905,397,550	14,223,925,249	12,202,834,640
Contract liabilities	17	120,537,515	164,891,955	289,366,657
Customers' deposits	17	78,940,908	135,710,979	76,996,569
Lease liabilities	11	41,197,368	37,685,586	36,716,315
Total Current Liabilities		21,689,059,817	25,005,842,716	20,127,263,358
NON-CURRENT LIABILITIES				
Interest-bearing loans and borrowings	14	28,859,671,939	25,514,057,795	21,932,094,231
Bonds payable	15	4,964,768,926	4,947,822,521	4,930,582,631
Lease liabilities	11	968,523,528	939,780,431	911,374,869
Trade and other payables	16	550,010,939	193,517,068	176,234,971
Post-employment defined benefit obligation	23	40,309,395	10,395,914	9,390,095
Deferred tax liabilities - net	24	3,914,255,188	3,499,919,259	2,662,200,804
Total Non-current Liabilities		39,297,539,915	35,105,492,988	30,621,877,601
Total Liabilities		60,986,599,732	60,111,335,704	50,749,140,959
EQUITY				
Capital stock	26	3,627,732,337	3,623,451,997	3,623,451,997
Additional paid-in capital		5,855,925,221	1,608,917,974	1,608,917,974
Share options outstanding		5,681,640	4,311,977	2,195,991
Treasury stock, at cost		(732,664,604)	(732,664,604)	(732,664,604)
Revaluation reserves - net		(34,689,808)	(18,288,224)	(13,910,501)
Retained earnings		11,782,891,062	9,973,459,295	7,763,753,729
Total Equity		20,504,875,848	14,459,188,415	12,251,744,586
TOTAL LIABILITIES AND EQUITY		P 81,491,475,580	P 74,570,524,119	P 63,000,885,545

See Notes to Financial Statements

CEBU LANDMASTERS, INC.
(A Subsidiary of A B Soberano Holdings Corp.)
STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023 (As Restated - see Note 2)	2022 (As Restated - see Note 2)
REVENUES	17			
Sale of real estate		P 9,802,166,890	P 9,986,792,668	P 10,579,681,642
Interest income from real estate sales		1,064,215,526	1,104,059,468	1,049,241,215
Rental		113,826,161	101,513,196	75,752,573
Management fees		<u>146,650,022</u>	<u>154,376,800</u>	<u>141,931,941</u>
		11,126,858,599	11,346,742,132	11,846,607,371
COST OF SALES AND SERVICES	18	(<u>4,728,844,814</u>)	(<u>5,090,152,817</u>)	(<u>5,902,315,588</u>)
GROSS PROFIT		6,398,013,785	6,256,589,315	5,944,291,783
OPERATING EXPENSES	19	(<u>2,377,889,044</u>)	(<u>1,968,974,042</u>)	(<u>1,869,225,902</u>)
OTHER OPERATING INCOME	20	<u>346,275,908</u>	<u>363,652,839</u>	<u>158,898,108</u>
OPERATING PROFIT		4,366,400,649	4,651,268,112	4,233,963,989
SHARE IN NET PROFIT OF SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE	9	1,075,855,465	1,249,633,091	430,697,764
FINANCE COSTS	22	(<u>1,880,107,688</u>)	(<u>2,128,229,311</u>)	(<u>1,029,980,251</u>)
FINANCE INCOME	21	32,037,902	43,989,261	70,675,962
OTHER LOSSES	20	(<u>23,812,992</u>)	(<u>3,233,017</u>)	(<u>6,252,156</u>)
PROFIT BEFORE TAX		3,570,373,336	3,813,428,136	3,699,105,308
TAX EXPENSE	24	(<u>628,095,254</u>)	(<u>979,986,307</u>)	(<u>957,520,535</u>)
NET PROFIT		<u>P 2,942,278,082</u>	<u>P 2,833,441,829</u>	<u>P 2,741,584,773</u>

See Notes to Financial Statements.

CEBU LANDMASTERS, INC.
(A Subsidiary of A B Soberano Holdings Corp.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023 (As Restated - see Note 2)	2022 (As Restated - see Note 2)
NET PROFIT		P 2,942,278,082	P 2,833,441,829	P 2,741,584,773
OTHER COMPREHENSIVE LOSS				
Item that will not be reclassified subsequently to profit or loss				
Loss on remeasurements of post-employment defined benefit plan	23	(21,868,779)	(5,836,965)	(577,372)
Tax income	24	<u>5,467,195</u>	<u>1,459,242</u>	<u>144,343</u>
		(16,401,584)	(4,377,723)	(433,029)
TOTAL COMPREHENSIVE INCOME		P 2,925,876,498	P 2,829,064,106	P 2,741,151,744

See Notes to Financial Statements.

CEBU LANDMASTERS, INC.
(A Subsidiary of A B Soberano Holdings Corp.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Capital Stock (see Note 26)	Additional Paid-in Capital (See Note 26)	Share Options Outstanding (See Note 26)	Treasury Stock, at Cost (See Note 26)	Revaluation Reserves (See Note 26)	Retained Earnings (See Note 26)			
						Appropriated	Unappropriated	Total	Total
Balance at January 1, 2024									
As previously reported	P 3,623,451,997	P 1,608,917,974	P 4,311,977	(P 732,664,604)	(P 18,288,224)	P 6,914,803,006	P 5,187,185,478	P 12,101,988,484	P 16,587,717,604
Effect of restatements - see Note 2	-	-	-	-	-	-	(2,128,529,189)	(2,128,529,189)	(2,128,529,189)
As restated	<u>3,623,451,997</u>	<u>1,608,917,974</u>	<u>4,311,977</u>	<u>(732,664,604)</u>	<u>(18,288,224)</u>	<u>6,914,803,006</u>	<u>3,058,656,289</u>	<u>9,973,459,295</u>	<u>14,459,188,415</u>
Transactions with owners:									
Issuance of capital stock	4,280,340	4,247,007,247	1,369,663	-	-	-	-	-	4,252,657,250
Cash dividend	-	-	-	-	-	-	(1,132,846,315)	(1,132,846,315)	(1,132,846,315)
	<u>4,280,340</u>	<u>4,247,007,247</u>	<u>1,369,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,132,846,315)</u>	<u>(1,132,846,315)</u>	<u>3,119,810,935</u>
Reversal of appropriations during the year	-	-	-	-	-	(3,691,083,696)	3,691,083,696	-	-
Total comprehensive income for the year:									
Net profit for the year	-	-	-	-	-	-	2,942,278,082	2,942,278,082	2,942,278,082
Other comprehensive loss	-	-	-	-	(16,401,584)	-	-	-	(16,401,584)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,401,584)</u>	<u>-</u>	<u>2,942,278,082</u>	<u>2,942,278,082</u>	<u>2,925,876,498</u>
Balance at December 31, 2024	<u>P 3,627,732,337</u>	<u>P 5,855,925,221</u>	<u>P 5,681,640</u>	<u>(P 732,664,604)</u>	<u>(P 34,689,808)</u>	<u>P 3,223,719,310</u>	<u>P 8,559,171,752</u>	<u>P 11,782,891,062</u>	<u>P 20,504,875,848</u>
Balance at January 1, 2023									
As previously reported	P 3,623,451,997	P 1,608,917,974	P 2,195,991	(P 732,664,604)	(P 13,910,501)	P 3,931,475,893	P 5,200,191,758	P 9,131,667,651	P 13,619,658,508
Effect of restatements - see Note 2	-	-	-	-	-	-	(1,367,913,922)	(1,367,913,922)	(1,367,913,922)
As restated	<u>3,623,451,997</u>	<u>1,608,917,974</u>	<u>2,195,991</u>	<u>(732,664,604)</u>	<u>(13,910,501)</u>	<u>3,931,475,893</u>	<u>3,832,277,836</u>	<u>7,763,753,729</u>	<u>12,251,744,586</u>
Transactions with owners:									
Cash dividend	-	-	-	-	-	-	(623,736,263)	(623,736,263)	(623,736,263)
Stock option granted	-	-	2,115,986	-	-	-	-	-	2,115,986
	<u>-</u>	<u>-</u>	<u>2,115,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(623,736,263)</u>	<u>(623,736,263)</u>	<u>(621,620,277)</u>
Appropriation of retained earnings									
Appropriations during the year	-	-	-	-	-	6,324,658,043	(6,324,658,043)	-	-
Reversal of appropriations during the year	-	-	-	-	-	(3,341,330,930)	3,341,330,930	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,983,327,113</u>	<u>(2,983,327,113)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year:									
Net profit for the year	-	-	-	-	-	-	2,833,441,829	2,833,441,829	2,833,441,829
Other comprehensive loss	-	-	-	-	(4,377,723)	-	-	-	(4,377,723)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,377,723)</u>	<u>-</u>	<u>2,833,441,829</u>	<u>2,833,441,829</u>	<u>2,829,064,106</u>
Balance at December 31, 2023	<u>P 3,623,451,997</u>	<u>P 1,608,917,974</u>	<u>P 4,311,977</u>	<u>(P 732,664,604)</u>	<u>(P 18,288,224)</u>	<u>P 6,914,803,006</u>	<u>P 3,058,656,289</u>	<u>P 9,973,459,295</u>	<u>P 14,459,188,415</u>
Balance at January 1, 2022									
As previously reported	P 3,623,451,997	P 1,608,917,974	p -	(P 748,171,901)	(P 13,477,472)	P 172,049,912	P 6,280,269,150	P 6,452,319,062	P 10,923,039,660
Effect of restatements	-	-	-	-	-	-	(903,681,060)	(903,681,060)	(903,681,060)
As restated	<u>3,623,451,997</u>	<u>1,608,917,974</u>	<u>-</u>	<u>(748,171,901)</u>	<u>(13,477,472)</u>	<u>172,049,912</u>	<u>5,376,588,090</u>	<u>5,548,638,002</u>	<u>10,019,358,600</u>
Transactions with owners:									
Cash dividend	-	-	-	-	-	-	(519,780,221)	(519,780,221)	(519,780,221)
Stock option granted	-	-	3,005,840	-	-	-	-	-	3,005,840
Stock option exercised	-	-	(809,849)	15,507,297	-	-	(6,688,825)	(6,688,825)	8,008,623
	<u>-</u>	<u>-</u>	<u>2,195,991</u>	<u>15,507,297</u>	<u>-</u>	<u>-</u>	<u>(526,469,046)</u>	<u>(526,469,046)</u>	<u>(508,765,758)</u>
Appropriation of retained earnings									
Appropriations during the year	-	-	-	-	-	3,931,475,893	(3,931,475,893)	-	-
Reversal of appropriations during the year	-	-	-	-	-	(172,049,912)	172,049,912	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,759,425,981</u>	<u>(3,759,425,981)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year:									
Net profit for the year	-	-	-	-	-	-	2,741,584,773	2,741,584,773	2,741,584,773
Other comprehensive loss	-	-	-	-	(433,029)	-	-	-	(433,029)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(433,029)</u>	<u>-</u>	<u>2,741,584,773</u>	<u>2,741,584,773</u>	<u>2,741,151,744</u>
Balance at December 31, 2022	<u>P 3,623,451,997</u>	<u>P 1,608,917,974</u>	<u>P 2,195,991</u>	<u>(P 732,664,604)</u>	<u>(P 13,910,501)</u>	<u>P 3,931,475,893</u>	<u>P 3,832,277,836</u>	<u>P 7,763,753,729</u>	<u>P 12,251,744,586</u>

See Notes to Financial Statements.

CEBU LANDMASTERS, INC.
(A Subsidiary of A B Soberano Holdings Corp.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023 (As Restated - see Note 2)	2022 (As Restated - see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 3,570,373,336	P 3,813,428,136	P 3,699,105,308
Adjustments for:				
Share in net profit of subsidiaries and associates	9	(1,075,855,465)	(1,249,633,091)	(430,697,764)
Interest expense on interest-bearing loans and borrowings	22	1,643,569,313	1,991,031,136	952,523,962
Depreciation and amortization	19	137,055,472	131,323,468	115,405,442
Interest expense on bonds	22	134,677,312	66,856,481	15,444,620
Interest expense on lease liabilities	22	68,238,917	65,882,750	61,205,859
Interest income	21	(32,037,902)	(43,989,261)	(70,675,962)
Share option benefits expense	26	1,369,663	2,115,986	3,005,840
Loss (gain) on disposal of property and equipment - net	20	(1,368,905)	17,411	128,364
Operating profit before working capital changes		4,446,021,741	4,777,033,016	4,345,445,669
Decrease (increase) in receivables		(1,270,932,465)	981,471,088	1,416,174,425
Increase in contract assets		(1,483,216,720)	(7,331,000,325)	(9,130,609,048)
Decrease in real estate inventories		2,453,752,436	1,286,158,413	1,962,596,496
Decrease (increase) in deposits on land for future development		-	121,996,729	(121,996,729)
Decrease (increase) in prepayments and other current assets		(357,400,183)	(1,854,036,753)	960,574,771
Increase in other non-current assets		(317,523,187)	(449,046,103)	(879,540,808)
Increase (decrease) in trade and other payables		(1,184,617,920)	1,941,120,588	2,518,197,107
Decrease in contract liabilities		(44,354,440)	(124,474,702)	(63,833,490)
Increase (decrease) in customers' deposits		(56,770,071)	58,714,410	19,526,869
Increase (decrease) in post-employment defined benefit obligation		8,044,702	(4,831,146)	4,059,395
Cash generated from (used in) operations		2,193,003,894	(596,894,785)	1,030,594,657
Cash paid for taxes		(208,292,130)	(140,808,610)	(176,807,609)
Net Cash From (Used in) Operating Activities		1,984,711,764	(737,703,395)	853,787,048
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of equity interest in subsidiaries and associates	9	(1,601,491,824)	(1,336,593,907)	(650,822,195)
Acquisitions of investment properties	12	(1,352,860,182)	(842,441,388)	(3,989,896,837)
Acquisitions of property and equipment	10	(652,320,250)	(1,272,143,177)	(1,014,909,274)
Collections of advances to related parties	25	938,918,595	983,991,952	153,969,288
Advances to related parties	25	(904,654,024)	(201,003,147)	(625,983,003)
Dividends received	9	203,250,000	106,220,000	94,400,000
Interest received		32,037,902	43,989,261	70,675,962
Proceeds from disposal of property and equipment		2,740,603	16,474	786,310
Acquisitions of computer software	13	(1,196,947)	(1,914,986)	(3,064,324)
Net Cash Used in Investing Activities		(3,335,576,127)	(2,519,878,918)	(5,964,844,073)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of interest-bearing loans and borrowings - net	14, 32	13,789,278,958	11,434,269,173	9,978,618,073
Repayments of interest-bearing loans and borrowings	14, 32	(12,444,183,494)	(5,050,319,185)	(7,524,170,278)
Proceeds from issuances of shares - net	26	4,251,287,587	-	-
Interest paid on interest-bearing loans and borrowings		(2,832,095,112)	(2,152,046,014)	(1,546,828,245)
Cash dividends paid	26	(793,439,609)	(623,736,263)	(519,780,221)
Interest paid on bonds		(352,556,540)	(337,485,051)	(78,592,408)
Payments of lease liabilities	11, 32	(41,160,078)	(36,783,822)	(562,543)
Proceeds from reissuance of treasury stock	26	-	-	8,008,623
Proceeds from issuances of bonds - net	15, 32	-	-	4,926,627,631
Net Cash From Financing Activities		1,577,131,712	3,233,898,838	5,243,320,632
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		226,267,349	(23,683,475)	132,263,607
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		441,670,591	465,354,066	333,090,459
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 667,937,940	P 441,670,591	P 465,354,066

Supplemental Information for Non-cash Investing and Financing Activities:

- In 2024 and 2023, the Company reclassified investment property to real estate inventories amounting to P915.7 million and P1,452.0 million, respectively. In 2023, the Company also reclassified real estate inventory and deposit from purchased properties to property and equipment amounting to P13.1 million and P162.7 million, respectively (see Notes 6, 10 and 12). In 2024, the Company reclassified real estate inventory amounting P2.2 million to property and equipment. In 2022, the Company reclassified investment properties to property and equipment amounting to P1,301.0 million and reclassified real estate inventories to investment properties amounting to P12.6 million (see Note 6, 10 and 12).
- In 2024, 2023 and 2022, borrowing costs that were capitalized as part of Property and Equipment and Investment Properties amounted to P1,355.6 million, P711.1 million and P495.5million, respectively (see Notes 10, 12, 14 and 15).
- In 2023 and 2022, the Company recognized unpaid construction costs of P60.0 million and P1,914.3 million, respectively, for the construction of Property and Equipment and Investment Properties (see Notes 10 and 12). There are no unpaid construction costs for Property and Equipment and Investment Properties in 2024.
- In 2024 and 2022, the Company recognized additional right-of-use assets and lease liabilities amounting to P5.2 million and P52.9 million, respectively. There were no additions to right-of-use asset and lease liabilities in 2023.
- In 2024, the Company reclassified portion of the investment in joint venture to non-current asset held for sale amounting to P237.8 million (see Note 9).
- In 2024, the Company declared cash dividends on Series A-1 and A-2 preferred shares amounting to P399,406,706, which will be paid in 2025 (see Note 26). The related outstanding dividends payable is presented as part of Trade and Other Payables (see Note 16).

See Notes to the Financial Statements.

CEBU LANDMASTERS, INC.
(A Subsidiary of A B Soberano Holdings Corp.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Cebu Landmasters, Inc. (CLI or the Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on September 26, 2003. CLI is presently engaged in real estate-related activities such as real estate development, sales, leasing and property management. The Company's real estate portfolio include condominium and subdivision for residence, mixed-use properties, townships, hotels and resorts, offices, and co-living space.

The Company is a subsidiary of A B Soberano Holdings Corp. (ABS). ABS is a holding company and is incorporated and domiciled in the Philippines. ABS is primarily and currently engaged in holding activities. The registered office and principal place of business of ABS is located at 2nd Street, Villa San Lorenzo, Quijada Street, Barangay Guadalupe, Cebu City.

On January 6, 2017, the Board of Directors (BOD) approved the Company's application for the registration of its common stocks with the SEC and application for the listing thereof in the Philippine Stock Exchange (PSE). The Company's shares were listed on the main board of the PSE on June 2, 2017 (see Note 26.2).

The registered office address of CLI, which is also its principal place of business, is located at 10th Floor, Park Centrale Tower, Jose Ma. Del Mar St., B2 L3, Cebu IT Park, Brgy. Apas, Cebu City, Philippines.

1.2 Subsidiaries, Associates and Joint Venture

CLI holds ownership interests in the following subsidiaries, associates and joint venture.

Entities	Notes	Effective Percentage of Ownership	
		2024	2023
<i>Subsidiaries</i>			
CLI Premier Hotels Int’l. Inc. (CPH)	(a)	100%	100%
Cebu Landmasters Property Management, Inc. (CPM)	(b)	100%	100%
A.S. Fortuna Property Ventures, Inc. (ASF)	(c)	100%	100%
CLI Hotels and Resorts Inc. (CHR)	(d)	100%	100%
CLI-LITE Panglao Inc. (CLI-LITE	(e)	88%	88%
Ming-mori Development Corporation (MDC)	(f)	78%	78%
Sugbo Prime Estate, Inc. (SPE)	(g)	64%	64%
BL CBP Ventures, Inc. (BL Ventures)	(h)	50%	50%
Yuson Excellence Soberano, Inc. (YES)	(i)	50%	50%
Yuson Huang Excellence Soberano, Inc. (YHES)	(j)	50%	50%
YHEST Realty and Development Corporation (YHEST)	(k)	50%	50%
CCLI Premier Hotels, Inc. (CCLI)	(l)	50%	50%
<i>(Forward)</i>			

Entities	Notes	Effective Percentage of Ownership	
		2024	2023
<i>Subsidiaries</i>			
Cebu Homegrown Developers, Inc. (CHDI)	(m)	50%	50%
YHES Premier Hotels Inc. (YHESPH)*	(n)	50%	50%
Cebu BL-Ramos Ventures Inc. (CBLRV)	(o)	50%	50%
GGTT Realty Corporation (GGTT)	(p)	50%	50%
Mivesa Garden Residences, Inc. (MGR)	(q)	45%	45%
El Camino Developers Cebu, Inc. (El Camino)	(r)	35%	35%
<i>Associates</i>			
Iloilo Global City Corporation (IGCC)	(s)	43%	43%
ICOM Air Corporation (ICOM)	(t)	33%	33%
Magspeak Nature Park, Inc. (Magspeak)	(u)	25%	25%
<i>Joint Venture</i>			
CLI NUD Ventures, Inc. (CLI NUD)**	(v)	30%	-

* YHESPH is a wholly owned subsidiary of YHES

**see Note 9

All of the subsidiaries, associates and joint venture of the Company are incorporated in the Philippines. The subsidiaries, associates and joint venture, except CPH, CPM, CHR, CCLI, YHESPH and ICOM, are in the same line of business as the Company. A brief description of these entities follows:

- (a) CPH was incorporated in 2016 as a wholly owned subsidiary of CLI. CPH is engaged in the real estate and hotel management business, which started commercial operations on September 14, 2019. The principal place of business of CPH is located in Cebu City.
- (b) CPM was incorporated in 2017 as a wholly owned subsidiary of CLI. CPM is engaged in the management of condominium corporations and housing associations affiliated with CLI. CPM has started commercial operations on September 1, 2017. The principal place of business of CPM is located in Cebu City.
- (c) ASF was incorporated in 2017 as a joint venture where CLI initially held 40% ownership interest. CLI acquired all the ownership interest of its business partners at the end of 2017 which made ASF its wholly owned subsidiary. The principal place of business of ASF is located in Cebu City.
- (d) CHR was incorporated on August 4, 2022 as a wholly owned subsidiary of CLI and engaged in the real estate, and hotel and resorts management. The principal place of business of CHR is located in Cebu City.
- (e) CLI-LITE was incorporated on July 19, 2021 as an undertaking by CLI and two other corporations for the development of a mixed-use project with residential condominiums and a possible hotel component in Panglao Island, Bohol. The principal place of business of CLI-LITE is located in Cebu City.
- (f) MDC was incorporated in 2013 as an undertaking between CLI and four other entities for the development of an economic business district. The principal place of business of MDC is located in Cebu City.

- (g) SPE was formed in 2019 as a one person corporation and was converted to an ordinary stock corporation after entering into a joint venture with CLI on March 4, 2021, for the development of a dormitory with retail and warehouse spaces. The principal place of business of SPE is located in Cebu City.
- (h) BL Ventures was formed by CLI and Borromeo Bros. Estate, Inc. (BBEI) to construct and operate Latitude Corporate Center. The principal place of business of BL Ventures is located in Cebu City.
- (i) YES was formed by CLI and Yuson Comm. Investments, Inc. to construct and operate Messatiera Garden Residences in Davao. The principal place of business of YES is located in Davao City.
- (j) YHES was incorporated in 2017 as an undertaking among CLI, Yuson Strategic Holdings, Inc., and Davao Filandia Realty Corp. for the development of mixed-used real estate project, the Paragon Davao. The principal place of business of YHES is located in Davao City.
- (k) YHEST was incorporated in 2018 as an undertaking among CLI and five corporations for the development of a central business district located at Matina, Davao. The principal place of business of YHEST is located in Davao City.
- (l) CCLI was incorporated in 2018 as an undertaking between CLI and Capitaine, Inc. for the development of Citadines hotel in Bacolod City. CCLI started its commercial operations in June 2024. The principal place of business of CCLI is located in Bacolod City.
- (m) CHDI is an undertaking between CLI and Aboitiz Land, Inc. and was incorporated on December 5, 2019. CHDI is engaged in the development of a high-rise mixed-use condominium complex in Mandaue City, Cebu, which commenced commercial operations in 2021. Its principal place of business is in Cebu City.
- (n) YHESPH was incorporated on October 28, 2019 as a wholly owned subsidiary of YHES that will engage in hotel business. Its ultimate parent is CLI, which owns 50% of YHES. As at December 31, 2024, YHESPH has yet to start commercial operations.
- (o) CBLRV, a new subsidiary in 2020, was incorporated on February 21, 2020 as an undertaking between CLI and BBEI and is engaged in the development of a mixed-use condominium tower in Cebu City. Its principal place of business also is located in Cebu City.
- (p) GGTT was incorporated on March 26, 2003 and is engaged to construct a residential condominium project in its principal place of business in Iloilo City.
- (q) MGR was incorporated in 2017 as an undertaking by CLI and three corporations for the construction of buildings 6 and 7 of the Mivesa Garden Residences condominium. The principal place of business of MGR is located in Cebu City.
- (r) El Camino was incorporated in 2016 as an undertaking between CLI and four other corporations for the development of 38 Park Avenue condominium project in Cebu City. The principal place of business of El Camino is located in Cebu City.

- (s) IGCC was incorporated in 2023 as an undertaking between CLI and two other corporations and is engaged in the development of a mixed-use condominium tower in Iloilo City. Its principal place of business is also located in Iloilo City. As of December 31, 2024, IGCC has yet to commence commercial operations.
- (t) ICOM was incorporated on December 7, 2020 as an undertaking of CLI and various individual stockholders and corporations to import aircraft(s) and to operate a transportation business in the Philippines. ICOM's principal place of business is in Iloilo City.
- (u) Magspeak was incorporated in 2011 as an undertaking among CLI and four other corporations for the development of a mountain resort to be located in Balamban, Cebu. The principal place of business of Magspeak is located in Cebu City.
- (v) CLI NUD was incorporated on April 5, 2024 as a joint venture between CLI and NTT UD Asia Pte. Ltd., a Japanese company known for its mixed use residential and commercial developments, to develop a highly desirable residential condominium enclave with retail area. CLI has a committed plan to sell a portion of the CLI NUD shares it holds. Its principal place of business is located in Cebu City. As of December 31, 2024, CLI NUD has yet to commence commercial operations (see Note 9).

1.3 Approval of Issuance of Financial Statements

The financial statements of the Company as at and for the year ended December 31, 2024 (including the comparative financial statements for the years ended December 31, 2023 and 2022, were authorized for issue by the BOD on April 9, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Parent Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy (BOA).

The financial statements have been prepared using the measurement bases specified by the relevant accounting frameworks for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) *SEC Financial Reporting Reliefs Availed by the Company*

In 2023 and prior years, the Company has availed of financial reporting reliefs granted by the SEC relating to the number of implementation issues of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry. In 2024, the Company adopted the previously deferred provision of PFRS 15, and the related issuances of the Philippine Interpretations Committee (PIC), and IFRIC Agenda Decision on Over Time Transfer of Constructed Goods [(PAS 23), *Borrowing Cost*] using full retrospective approach, as prescribed by SEC MC No. 08-2021, *Amendment to SEC MC No. 14-2018*, *MC No. 03-2019*, *MC No. 04-2020*, and *MC No. 34-2020 to clarify transitory provision*.

Discussed below and in the succeeding pages are the relevant information about these standards and interpretations, and the resulting adjustments to the relevant financial statements accounts as at and for the year ended December 31, 2023 and as at January 1, 2023.

(i) IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry

The IFRIC concluded that any inventory (work-in-progress) for unsold units under construction that the entity recognizes is not a qualifying asset, as the asset is ready for its intended sale in its current condition (i.e., the developer intends to sell the partially constructed units as soon as it finds suitable customers and, in signing a contract with a customer, will transfer control of any work-in-progress relating to that unit to the customer). Accordingly, no borrowing costs can be capitalized on such unsold real estate inventories.

The adoption of the above IFRIC Agenda Decision resulted in the restatement of the following relevant financial statements accounts as at and for the years ended December 31, 2023 and as at January 1, 2023.

<i>(Amounts in PHP)</i>	<u>Increase (Decrease)</u>
<u>December 31, 2023:</u>	
Finance costs	1,571,391,696
Cost of sales and services	(1,058,251,956)
Real estate inventories	(513,139,740)
Deferred tax liabilities - net	(247,475,527)
Deferred tax expense	247,475,527
<u>January 1, 2023:</u>	
Finance costs	764,215,629
Cost of sales and services	(399,977,022)
Real estate inventories	(364,238,607)
Deferred tax liabilities - net	(99,994,256)
Deferred tax expense	99,994,256

- (ii) PIC Q&A No. 2018-12-D, *Concept of the significant financing component in the contract to sell* and PIC Q&A No. 2020-04, *Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments*

PFRS 15 requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component.

There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Company does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant.

The adoption of this interpretation resulted in the restatement of the following financial statements accounts as at and for the years ended December 31, 2023 and as at January 1, 2023.

<i>(Amounts in PHP)</i>	Increase <u>(Decrease)</u>
<u>December 31, 2023:</u>	
Sale of real estates	(1,104,059,468)
Interest income from real estate sales	1,104,059,468
<u>January 1, 2023:</u>	
Sale of real estates	(1,049,241,215)
Interest income from real estate sales	1,049,241,215

The table below shows the effects of the adoption of the previously deferred provisions in the statements of financial position as of December 31, 2023 and January 1, 2023.

<i>(Amounts in PHP)</i>	Note	As Previously Reported	Restatements	As Restated
<u>As of December 31, 2023</u>				
<i>Change in assets –</i>				
Real estate inventories	2.1b(i)	9,093,063,224	<u>(1,552,686,574)</u>	7,540,376,650
<i>Change in liabilities and equity:</i>				
Deferred tax liabilities - net	2.1b(i)	(2,924,076,644)	(575,842,615)	(3,499,919,259)
Retained earnings	2.1b(i)	(12,101,988,484)	<u>2,128,529,189</u>	(9,973,459,295)
			<u>1,552,686,574</u>	
<u>As of January 1, 2023</u>				
<i>Change in assets –</i>				
Real estate inventories	2.1b(i)	8,591,824,122	<u>(1,039,546,834)</u>	7,552,277,288
<i>Change in liabilities and equity:</i>				
Deferred tax liabilities - net	2.1b(i)	(2,333,833,716)	(328,367,088)	(2,662,200,804)
Retained earnings	2.1b(i)	(9,131,667,651)	<u>1,367,913,922</u>	(7,763,753,729)
			<u>1,039,546,834</u>	

The effects of the restatements in the statements of profit or loss for the years ended December 31, 2023 and 2022 are summarized below:

<i>(Amounts in PHP)</i>	Note	As Previously Reported	Restatements	As Restated
<u>2023</u>				
<i>Changes in net profit and total comprehensive income:</i>				
Real estate sales	2.1b(ii)	11,090,852,136	(1,104,059,468)	9,986,792,668
Interest income from real estate sales	2.1b(ii)	-	1,104,059,468	1,104,059,468
Cost of real estate sales	2.1b(i)	(6,148,404,773)	1,058,251,956	(5,090,152,817)
Finance costs	2.1b(i)	(556,837,615)	(1,571,391,696)	(2,128,229,311)
Tax expense	2.1b(i)	(732,510,780)	<u>(247,475,527)</u>	(979,986,307)
			<u>760,615,267</u>	
<u>2022</u>				
<i>Changes in net profit and total comprehensive income:</i>				
Real estate sales	2.1b(ii)	11,628,922,857	(1,049,241,215)	10,579,681,642
Interest income from real estate sales	2.1b(ii)	-	1,049,241,215	1,049,241,215
Cost of real estate sales	2.1b(i)	(6,302,292,610)	399,977,022	(5,902,315,588)
Finance costs	2.1b(i)	(265,764,622)	(764,215,629)	(1,029,980,251)
Tax expense	2.1b(i)	(857,526,279)	<u>(99,994,256)</u>	(957,520,535)
			<u>464,232,863</u>	

The effects of the restatements in the statement of cash flows for the year ended December 31, 2023 and 2022 are summarized below:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>As Previously Reported</u>	<u>Restatements</u>	<u>As Restated</u>
<u>2023</u>				
<i>Change in cash flows from</i>				
<i>Operating activities:</i>				
Profit before tax		4,326,567,876	(513,139,740)	3,813,428,136
Adjustments for –				
Interest expense				
on interest				
bearing loans and				
borrowings	2.1b(i)	419,639,440	1,571,391,696	1,991,031,136
Decrease in real estate				
inventories	2.1b(i)	2,344,410,369	<u>(1,058,251,956)</u>	1,286,158,413
			<u>-</u>	
<u>2022</u>				
<i>Change in cash flows from</i>				
<i>Operating activities:</i>				
Profit before tax		4,063,343,914	(364,238,606)	3,699,105,308
Adjustments for:				
Interest expense				
on interest				
bearing loans and				
borrowings	2.1b(i)	188,308,333	764,215,629	952,523,962
Decrease in real estate				
inventories	2.1b(i)	2,362,573,519	<u>(399,977,023)</u>	1,962,596,496
			<u>-</u>	

(c) *Presentation of Financial Statements*

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income and expenses in a single statement of comprehensive income.

The Company presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(d) *Functional and Presentation Currency*

These financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 Adoption of Amended PFRS Accounting Standards

(a) Effective in 2024 that are Relevant to the Company

The Company adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flows, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	:	Leases – Lease Liability in a Sale and Leaseback

Discussed below are the relevant information about these pronouncements.

- (i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*. The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Company's financial statements.
- (ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants*. The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the Company's financial statements.

- (iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the Company's financial statements.
- (iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The Company has no sale and leaseback transactions.

(b) *Effective Subsequent to 2024 but not Adopted Early*

There are new standards and amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in the succeeding page in accordance with their transitional provisions; and none of these are expected to have significant impact on the Company's financial statements.

- (i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)
- (ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

2.3 Separate Financial Statements and Investments in Subsidiaries, Associates and a Joint Venture

These financial statements are prepared as the Company's separate financial statements. The Company also prepares consolidated financial statements which is available to the public through the disclosures section of the PSE Edge and Company's website.

The Company assess whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Investments in subsidiaries, associates and joint venture are initially recognized at cost and subsequently accounted for using the equity method.

2.4 Financial Instruments

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Company commits to purchase or sell the asset).

(i) Classification, Measurement and Reclassification of Financial Assets

The Company's financial assets include financial assets at amortized cost.

(ii) Impairment of Financial Assets

The expected credit losses (ECL) on receivables and contract assets are estimated by a probability weighted estimate of credit losses over the expected life of the financial assets. These assets are assessed for impairment on a collective basis based on shared credit risk characteristics.

For other financial assets, if the credit risk has not increased significantly since initial recognition, the Company measures and provides for credit losses that are expected to result from default events that are possible within 12-months after the end of the reporting period, except when there has been a significant increase in credit risk on the financial asset since initial recognition.

(b) Financial Liabilities

Financial liabilities include interest-bearing loans and borrowings, bonds payable, and trade and other payables [except government-related obligations, advance rental and output value-added tax (VAT)].

2.5 Non-current Assets Classified as Held for Sale

Non-current assets held for sale are measured at lower of their carrying amounts, immediately prior to their classification as held for sale, and their fair value costs to sell.

2.6 Real Estate Inventories

Costs of real estate inventories are assigned using specific identification of their individual costs.

The Company recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known. Any impairment loss from a real estate project is charged to operations during the period in which the loss is determined.

Reposessed property arising from sales cancellation is recognized at cost. The difference between the carrying amount of the contract balances to be recognized and the cost of the reposessed property is recognized in the statement of comprehensive income.

2.7 Property and Equipment

Property and equipment are carried at acquisition or construction cost less subsequent depreciation, amortization and any impairment losses. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets. The depreciation and amortization periods for property and equipment, based on the above policies, are as follows:

Buildings and parking units	20 years
Transportation equipment	5 years
Leasehold improvements	5 years
Operating equipment	3-5 years
Furniture and fixtures	2-5 years

Leasehold improvements are amortized over their expected useful lives of five years (determined by reference to comparable assets owned) or the term of lease, whichever is shorter.

2.8 Investment Property

Properties held for lease under operating lease agreements, which comprise mainly of land, buildings and condominium units, are classified as Investment Properties and carried at cost, net of accumulated depreciation and any impairment in value, except for land which is not subject to depreciation. Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives of the assets of ranging from 20 to 50 years.

2.9 Revenue and Expense Recognition

Revenue comprises revenue from sale of real properties.

The Company develops real properties such as developed land, house and lot, and condominium units. The Company often enters into contracts to sell real properties as they are being developed. The significant judgment used in determining the timing of satisfaction of the Company's performance obligation with respect to its contracts to sell real properties is disclosed in Note 3.1(b). Sales cancellations are accounted for on the year of forfeiture. Any gain or loss on cancellation is charged to profit or loss.

- (a) *Real estate sales on pre-completed real estate properties* – Revenue from real estate sales is recognized over time proportionate to the progress of the development. The Company measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development. Revenue recognized is presented as part of Sale of Real Estate in the statement of profit or loss.

- (b) *Real estate sales on completed real estate properties* – Revenue from real estate sales is recognized at point in time when the control over the real estate property is transferred to the buyer. Revenue recognized from real estate sales is presented as part of Sale of Real Estate in the statement of profit or loss.
- (c) *Rendering of management services* – Revenue from the rendering of management services is recognized over time as the services are provided to the client entities. The client entities are invoiced monthly as work progresses, which are also due upon receipt by them. Any amounts remaining unbilled at the end of a reporting period are presented in the statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due.

For tax reporting purposes, a modified basis of computing the taxable income for the year based on collections from real estate sales is used by the Company.

Incremental costs of obtaining a contract to sell real property to customers are recognized as Deferred commissions and are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized. The Company presents Deferred commissions as part of Prepayment and Other Current Assets when it is expected to be expensed within 12 months after the balance sheet date. Any remaining balance is presented as part of Other Non-current Assets.

Under its contracts with customers, the Company recognizes Contract receivables, which is presented under Receivables account, when it has an unconditional right to payment for the total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Company as it develops the property are presented as Contract Assets in the statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Company assesses impairment of its financial assets [see Note 2.4(a)(ii)].

In determining the transaction price, the Company adjusts the contract price for the effects of time value of money when the timing of payments agreed to with the customer provides either party with a significant benefit of financing the transfer of goods or services to the customer. In buyer financing arrangements where buyer payments are ahead of the development of the sold property, the Company recognizes interest expense which is presented as part of Interest Income from Real Estate Sales in the statement of comprehensive income. Conversely, in seller financing arrangements where the development of the sold property is ahead of buyer payment terms, the Company recognizes interest income which is presented as part of Interest Income from Real Estate Sales in the statement of comprehensive income. The significant judgment used in determining the existence of a significant financing component in the contract is disclosed in Note 3.1(c).

Any consideration received by the Company in excess of the amount for which the Company is entitled is presented as Contract Liabilities in the statement of financial position.

2.10 Leases

(a) Company as Lessee

Subsequent to initial recognition, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term which is from two to five years.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) Company as Lessor

The Company applies judgment in determining whether a lease contract is a finance or operating lease.

2.11 Impairment of Non-financial Assets

The Company's Investment Properties, Property and Equipment and other non-financial assets are subject to impairment testing.

2.12 Employee Benefits

The Company provides post-employment benefits to employees through a defined benefit plan and defined contribution plans, and other employee benefits.

The Company's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, noncontributory, and administered by a trustee.

The defined benefit obligation (DBO) is calculated annually by an independent actuary using the projected unit credit method.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

(a) *Determining Existence of a Contract with Customer*

In a sale of real estate properties, the Company's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property sold is completed and ready for use by customer. In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as contract with the customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms).

Moreover, as part of the evaluation, the Company assesses the probability that the Company will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Company considers the significance of the customer's downpayment in relation to the total contract price [see Note 3.1(d)].

Collectability is also assessed by considering factors such as past history with the customer and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

(b) *Evaluation of Timing of Satisfaction of Performance Obligations*

The Company exercises critical judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time. In making this judgment, the Company considers the following:

- any asset created or enhanced as the Company performs;
- the ability of the customer to control such asset as it is being created or enhanced;
- the timing of receipt and consumption of benefits by the customer; and,
- the Company's enforceable right for payment for performance completed to date.

The Company determined that its performance obligation is satisfied over time since it does not have an alternative use of the specific property sold as it is precluded by its contract from redirecting the use of the property for a different purpose. Further, the Company has rights over payment for development completed to date as the Company can choose to complete the development and enforce its rights to full payment under its contracts even if the customer defaults on amortization payments.

On the other hand, performance obligation for completed real estate properties is satisfied at a point in time when the control over the real estate property is transferred to the buyer.

(c) *Determination of the Existence of the Significant Financing Component in the Contract*

The Company enters into real estate sales contracts offering various payment schemes to its customers. The timing of transaction price collection can significantly differ from the timing of the Company's fulfillment of its performance obligations. The Company exercises judgment in determining whether the contract terms provide a significant financing benefit to either the Company or its customers. This assessment is conducted at the inception of the contract, considering the contractual payment terms and the projected completion timeline of the related real estate development.

(d) *Determination of Collection Threshold for Revenue Recognition*

The Company uses judgment in evaluating the probability of collection of transaction price on real estate sales as a criterion for revenue recognition. The Company uses historical payment pattern of customers and number of sales cancellation in establishing a percentage of collection threshold over which the Company determines that collection of the transaction price is reasonably assured. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Company. The Company considers that the initial and continuing investments by the buyer when reaching the set collection threshold would demonstrate the buyer's commitment to pay the total contract price. Management is confident that when the collections received from the buyers exceed a certain threshold, it would be unlikely for the buyer to default and therefore, cancel the contract. Accordingly, the Company will not recognize the whole contract and no revenue will be recognized when the collection threshold is not yet reached.

(e) *Assessment Involving Right of Return*

The Company's sale of real estate under pre-completed contracts has variable consideration which is the right of return when a buyer defaulted the equity payments. Moreover, R.A. No. 6552, *Realty Installment Buyer Act* or, which is popularly known in the Philippines as the *Maceda Law*, provides a statutory obligation to the Company to refund the buyer the cash surrender value of the collections received on the property equivalent to 50% of the total collected amount, and, after five years of installments, an additional 5% every year but not to exceed 90% of the total collections received.

(f) *Determination of ECL on Receivables and Contract Assets*

The Company uses the cumulative loss rate approach to calculate ECL for trade receivables and contract assets. This approach considers and includes reasonable approximation of probable and estimable future losses determined by applying historical gross charge-off information (arising from cancellations and back-out sales) to forward-looking qualitative information (i.e., forecast of economic condition). While there may be an assessed default occurring in these receivables over the term of the instrument, the amount of required allowance for ECL is minimized since the legal title related to the unit sold will only be transferred once the contract receivable has been paid in full, and the Company has the right to recover the real estate properties covered by the contract with customer through repossession, and to resell the asset at an amount sufficient to cover the unpaid outstanding obligations.

On the other hand, additional ECL may be calculated for certain pool of trade receivables specifically determined to have expected cash shortfall based on outstanding exposures. These generally arise from receivables which were charged-off at an earlier term of the instrument since origination period.

Details about the ECL on the Company's trade and other receivables are disclosed in Note 29.2.

(g) Distinction Among Investment Properties and Owner-managed Properties

The Company determines whether a property qualifies as investment property. In making its judgment, the Company considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the operations.

(h) Distinction Between Inventories and Investment Properties

Real estate inventories comprise properties that are held for sale in the ordinary course of business. Meanwhile, investment properties comprise of land and buildings which are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Company considers management's intention over these assets in making its judgment.

(i) Evaluation of Change in Use for Transfers to or from Investment Properties

The Company evaluates transfers of properties to or from its investment properties by carefully assessing changes in their use (see Notes 6 and 12). Such transfers are primarily driven by shifts in business plans, supported by tangible actions like obtaining necessary permits or preparing properties for sale. A change in management's intent alone is insufficient evidence to justify a transfer. Instead, the Company relies on objective and substantive indicators, considering all relevant facts and circumstances, to determine whether the properties meet the definition of the financial statement accounts. This judgment ensures that the classification aligns with the substance of the transactions and the Company's ordinary business activities.

(j) Distinction Between Operating and Finance Leases for Contracts where the Company is the Lessor

The Company has entered into various lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Currently, its leases are all operating leases.

(k) Distinction Between Joint Operations and Joint Ventures

The Company has entered into various joint arrangements. Critical judgment was exercised by management to distinguish each joint arrangement as either joint operations or joint ventures by looking at the rights and obligations held by an entity in relation to the arrangement.

(l) *Determination of Lease Term of Contracts with Renewal and Termination Options*

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of land and office space, the factors that are normally the most relevant are (a) if there are significant penalties should the Company pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Company is reasonably certain not to terminate the lease contract. Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised or not exercised or the Company becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Company.

(m) *Accounting for Equity Ownership Interest in Subsidiaries and Associates*

In classifying its equity acquisitions as an investment in a subsidiary or associates, the Company evaluates whether control or significant influence exists. Control is present when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policy decisions.

Based on management's assessment, the Company has control over MGR and El Camino despite having ownership interests of 45% and 35%, respectively, at the time of consolidation. This control is evidenced by its direction of relevant activities and decision-making power on the operations of these entities by virtue of agreements between the stockholders.

(n) *Determination of Joint Control of Arrangements and Type of Joint Arrangements*

Management has assessed that the Company has joint control over CLI NUD notwithstanding that it owns more than 50% of the voting interests. This view is based on the contractual arrangement with the other shareholder requiring unanimous consent for all major decisions; hence, the Company has classified its initial 60% interest in CLI NUD as an investment in a joint venture (see Note 9). In making this decision, the Company considered the terms and conditions of the agreements, as well as the purpose and design of the joint arrangements.

Currently, the Company is in the process of selling 30% of its 60% interest in CLI NUD (see Note 9). Should the planned disposal be completed, the investment will remain classified as a joint venture in the financial statements. This reflects the ongoing joint control and the terms and conditions outlined in the shareholder agreements.

(o) *Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 27.

(p) *Determination of Preferred Shares as Equity or Liability*

The Company exercises judgment in classifying its preferred shares as financial liabilities or equity instruments. In making this judgment, the Company considers the specific terms and conditions of the preferred shares, including redemption and dividend rights. Based on management's assessment, the preferred shares are classified as equity securities, as the Company has the discretion to defer the payments of principal and dividends indefinitely (see Note 26.1).

(q) *Evaluation of Non-current Assets as Non-current Assets Held for Sale (NCAHFS)*

The Company determines whether its non-current assets qualify as held for sale in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operation*. The key judgments made in this assessment include (a) the expected timing of the sale; (b) the likelihood of regulatory approvals required for the sale; and (c) the intention and clear commitment of management to sell the assets.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) *Revenue Recognition for Performance Obligations Satisfied Over Time*

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Company measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Company estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

(b) *Determination of Appropriate Discount Rate in Measuring Lease Liabilities*

The Company measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Company's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(c) *Determination of Appropriate Discount Rate in Measuring Significant Financing Component*

When adjusting the consideration for significant financing component, an entity shall use the discount rate that would be reflected in a separate financing transaction at contract inception. Management considers the discount rate which would reflect the credit characteristics of the party receiving financing in the contract as well as any collateral or security provided by the customer or entity. Specifically, for contracts classified as 'seller financing,' the Company bases its lending rate on the rate extended to buyers who utilize its in-house financing. This lending rate is adjusted to reflect the specific circumstances of each financing transaction.

For contracts classified as 'buyer financing,' the Company estimates the discount rate using a borrowing rate that would be consistent with a separate financing transaction where the Company is considered the borrower.

(d) *Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Management also applies judgment in the estimation of the contractual cash flows due from counterparties that the Company would expect to receive from the realization of any credit enhancements, including the discounting factor for recoveries beyond one year.

Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 29.2.

(e) *Determination of Net Realizable Value of Real Estate Inventories*

In determining the net realizable value of real estate inventory, management takes into account the most reliable evidence available at the times the estimates are made. The future realization of the carrying amounts of real estate inventory is affected by price changes in the different market segments as well as the trends in the real estate industry. These are considered key sources of estimation uncertainty and may cause significant adjustments to the Company's real estate inventories within the next reporting period.

Considering the Company's pricing policy, the net realizable values of real estate units for sale are higher than their related costs.

(f) *Estimation of Useful Lives of Property and Equipment, Investment Properties and Right-of-use Assets*

The Company estimates the useful lives of property and equipment, investment properties and right-of-use assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and investment properties are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property and equipment, right-of use assets, and investment properties are analyzed in Notes 10, 11 and 12, respectively. Based on management's assessment as at December 31, 2024 and 2023, there is no change in estimated useful lives of these assets during those periods. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned.

(g) *Impairment of Non-financial Assets*

The Company's Investment Properties, Property and Equipment and other non-financial assets are subject to impairment testing.

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainties relates to assumptions about future operating results and the determination of suitable discount rate.

Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Management assessed that no impairment loss is required to be provided on its significant non-financial assets, particularly property and equipment, right-of-use assets and investment properties, as at December 31, 2024, 2023 and 2022.

(h) *Valuation of Post-employment Defined Benefit Obligation*

The determination of the Company's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by an independent actuary in calculating such amounts. Those assumptions include, among others, discount rates, expected rate of return on plan assets, salary rate increase, and employee turnover rate. A significant change in any of these actuarial assumptions may generally affect the recognized other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 23.3.

(i) *Fair Value Measurement of Share Options*

The Company estimates the fair value of the share option by applying an option valuation model, taking into account the terms and conditions on which the share option was granted. The estimates and assumptions used are presented in Note 26.4, which include, among others, the option's time of expiration, applicable risk-free interest rate, expected dividend yield, volatility of the Company's share price. Changes in these factors can affect the fair value of share options at grant date.

Details of employee share option plan and the amount of fair value recognized is presented in Note 26.

(j) *Fair Value Measurement for Investment Properties*

Investment properties are measured using the cost model. The fair value of investment property held for capital appreciation and to earn rental income disclosed in the financial statements is determined by the Company based on the appraisal reports of a professional and independent appraiser.

The fair value is determined by reference to market-based evidence, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Such amount is influenced by different factors including the location and specific characteristics of the property, quantity of comparable properties in the market, and economic condition and behavior of the buying parties. A significant change in these elements may affect prices and the value of the assets being disclosed.

The fair value of the Company's investment properties as at December 31, 2024 and 2023 is disclosed in Notes 12 and 30.3(c).

(k) *Determination of Realizable Amount of Deferred Tax Assets*

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the balance of deferred tax assets recognized as at December 31, 2024 and 2023 will be utilized in the succeeding years.

The carrying amount of the net deferred tax assets arising from unrealized foreign currency loss, retirement benefit obligation, and impairment losses as at December 31, 2024 and 2023 is disclosed in Note 24.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as at December 31:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Cash on hand	3,725,590	3,096,637
Cash in banks	624,698,172	393,361,510
Short-term placements	39,514,178	45,212,444
	<u>667,937,940</u>	<u>441,670,591</u>

Cash in banks (savings and demand deposits) generally earn interest at rates based on daily bank deposit rates. Short-term placements are made for varying period from 60 to 62 days and earn effective interest ranging from 4% to 5.6%, 2.5% to 3%, and 0.8% to 1.9% per annum for 2024, 2023 and 2022, respectively. Interest income earned from cash and cash is presented as part of Finance Income in the statements of profit or loss (see Note 21).

5. RECEIVABLES

This account includes the following:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
Contract receivables:			
Third parties		1,388,351,983	1,164,195,965
Related parties	25.4	837,666,834	685,584
Retention receivable		203,362,600	111,577,658
Charges to contractors and suppliers		162,038,825	109,754,180
Receivable from insurance claims		74,603,761	75,371,849
Rent receivable		67,396,957	67,016,313
Advances to officers and employees		45,374,465	36,371,824
Management fee receivable		4,302,860	3,982,960
Other receivable		109,869,426	53,078,913
		<u>2,892,967,711</u>	<u>1,622,035,246</u>

Receivables are presented in the statements of financial position as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Current	2,764,806,240	1,465,941,409
Non-current	128,161,471	156,093,837
	<u>2,892,967,711</u>	<u>1,622,035,246</u>

Trade receivables mainly pertains to real estate sales and rental transactions.

Buyers of real estate properties are given two to three years to complete the amortization of their down payment, which ranges from 10% to 20% of the contract price of the real estate being purchased. Contract receivables, which are all covered by postdated checks, are only recognized when the total transaction price is reasonably assured. Generally, full payment by buyers of their equity payments is made within 24 to 48 months following the recognition of sale, which is then followed by full settlement by the buyer's chosen financing institution of the buyer's account. Title to real estate properties are transferred to the buyers once full payment has been made.

Long-term contract receivables, which are noninterest-bearing, are receivables from buyers whose equity payments are expected to be fully paid after 12 months following the end of the reporting period. These are measured at amortized cost, which is determined by discounting future cash flows using the applicable rates of similar types of instruments. The aggregate unamortized discount on noninterest-bearing contract receivables amounts to P7,975,990 and P5,309,083 as at December 31, 2024 and 2023, respectively.

In 2024, 2023 and 2022, the Company has day-one loss on noninterest-bearing contract receivables, net of amortization of day one loss, amounting to P2,666,907, P3,751,674 and P257,332, and is presented as part of Finance Costs in the statements of profit or loss (see Note 22). On the other hand, the amortization of day-one loss of noninterest-bearing contract receivables, net of day-one loss, amounted to P1,160,937 in 2022 (nil in 2024 and 2023) and is presented as part of Finance Income.

Retention receivable represents amounts retained by Home Development Mutual Fund (HDMF) from the proceeds of loans availed by real estate buyers in accordance with HDMF Circular No. 182-A to pay off their obligations to the Company, which will be received four months to six months after release of loan.

Receivable from insurance pertains to outstanding claims filed with various insurance companies in relation to damages incurred to the insured properties of the Company.

Advances to officers and employees are composed of advances intended for the Company's operations and are subject to liquidation.

The Company assesses an ECL when the receivables from contract with customers and other counterparties are initially recognized and updates the assessment at each reporting date based on the analysis determined by management. No allowance for ECL need to be recognized in 2024, 2023 and 2022 (see Note 29.2).

6. REAL ESTATE INVENTORIES

This account includes the following inventories, which are all at cost.

<i>(Amounts in PHP)</i>	Note	2024	2023 (As Restated – see Note 2)
Condominium units		209,186,287	269,063,334
Subdivision units		82,351,334	470,257,538
		291,537,621	739,320,872
Construction-in-progress:			
Land development costs		2,232,022,454	2,204,187,532
Housing costs		1,836,736,405	1,732,485,973
Condominium building costs		1,078,286,622	2,399,834,430
		5,417,045,481	6,336,507,935
Raw land inventory	7	541,568,200	464,547,843
		6,000,151,302	7,540,376,650

An analysis of the cost of real estate inventories included in cost of sales for the year is presented in Note 18.

Land development costs pertain to the cost of acquisition of land and site development costs of subdivision projects and other future site projects of the Company.

Housing costs pertain to the cost of house construction for the horizontal projects of the Company.

Condominium building costs consist of the cost of acquisition of land and the cost to construct the units of the vertical projects of the Company.

Raw land inventory consists of parcels of land owned by the Company that are located in various locations. These are expected to be developed into saleable condominium or subdivision units. In 2023, the Company reclassified deposits on land for future development amounting to P121,996,729 to raw land inventory, i.e. applied as part of the payment for land acquisitions that were consummated (see Note 7). There were no similar transactions in 2024.

In 2024 and 2023, the Company reclassified real estate inventories to property and equipment (see Note 10). In 2023 and 2022, the Company reclassified real estate inventories to investment properties (see Note 12). In 2023, the Company reclassified investment properties to real estate inventories (see Notes 10 and 12).

Certain real estate inventories amounting to P3,370,763,991 and P5,308,547,812 as at December 31, 2024 and 2023, respectively, are used as collateral for certain interest-bearing loans of the Company (see Note 14).

Based on management's assessment, there is no allowance for write-down required to be recognized in 2024, 2023, and 2022; hence, real estate inventories are recorded at cost as at December 31, 2024 and 2023.

7. DEPOSITS ON LAND FOR FUTURE DEVELOPMENT

Deposits on land for future development pertains to advance payments for acquisitions of certain parcels of land, which are intended for future development into saleable real estate projects. As of December 31, 2022, this account has a balance of P121,996,729 which the Company has transferred to Raw Land Inventory in 2023 (see Note 6).

8. PREPAYMENTS AND OTHER CURRENT ASSETS

This account includes the following:

<i>(Amounts in PHP)</i>	2024	2023
Advances to subcontractors	1,484,413,842	1,173,327,064
Deferred commissions and incentives	1,136,472,648	1,320,763,478
Prepaid income tax	619,044,473	394,652,955
Input VAT and deferred input VAT	565,503,275	698,470,288
Advances to suppliers	407,045,567	392,560,042
Short-term investments	285,678,275	184,532,637
Prepaid expenses	53,829,771	30,281,204
Others	73,501	73,501
	<u>4,552,061,352</u>	<u>4,194,661,169</u>

Advances to subcontractors include advance payments for materials, payment of labor and overhead expenses that were paid on behalf of subcontractors. These are applied against the billings of subcontractors.

Short-term investments pertain to escrow funds that are required to be set up in relation to the Company's compliance with the regulatory requirements for issuance of license to sell and are restricted for use in the Company's operations. The escrow funds is significantly comprised of investments in treasury bills with maturity dates of up to 12 months, earning effective interest ranging from 3% to 6.1% and 3.5% to 6% per annum in 2024 and 2023, respectively.

Prepaid expenses include advance payment for insurance and rent.

9. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE/NON-CURRENT ASSET HELD FOR SALE (NCAHFS)

This account comprises the following as at December 31:

<i>(Amounts in PHP)</i>	Note	2024	2023
Investment in subsidiaries	9.1	10,796,513,607	9,202,644,254
Investment in joint venture	9.2	632,378,982	-
Investment in associates	9.3	152,506,038	142,489,431
		11,581,398,627	9,345,133,685

A reconciliation of the carrying amounts of investments in subsidiaries, associates and a joint venture at the beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	9,345,133,685	6,865,126,687
Additional investments	1,601,491,824	1,336,593,907
Reclassification to NCAHFS	(237,832,347)	-
Equity in net profit	1,075,855,465	1,249,633,091
Dividends received	(203,250,000)	(106,220,000)
Balance at end of year	11,581,398,627	9,345,133,685

9.1 Investments in Subsidiaries

A reconciliation of the carrying amounts of the investments in subsidiaries at the beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	9,202,644,254	6,731,567,105
Additions	718,384,708	1,315,093,907
Equity in net profit	1,078,734,645	1,262,203,242
Dividends received	(203,250,000)	(106,220,000)
Balance at end of year	10,796,513,607	9,202,644,254

9.2 Investment in a Joint Venture

A reconciliation of the carrying amounts of the investments in associates at the beginning and end of 2024 (nil in 2023) is shown below.

<i>(Amounts in PHP)</i>	2024
Initial investments	873,107,116
Reclassification to NCAHFS	(237,832,347)
Share in net loss during the year	(2,895,787)
Balance at end of year	632,378,982

As of December 31, 2024, the Company has total commitment to contribute capital to the joint venture amounting to P3,847,604,762, of which P873,107,116 has been paid.

The Company has no contingent liabilities related to the joint venture, nor has it assessed the probability of loss arising from contingent liabilities as remote.

9.3 Investments in Associates

A reconciliation of the carrying amounts of the investments in associates at the beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	142,489,431	133,559,582
Additions	10,000,000	21,500,000
Equity in net loss	16,607	(12,570,151)
Balance at end of year	152,506,038	142,489,431

There were no dividends received from the Company's associates and joint venture in 2024, 2023 and 2022.

9.4 Non-current Asset Held for Sale

On November 21, 2024, the BOD approved the Company's intent to sell its 30% shares in CLI NUD to ABS to share the risks and significant capital commitment involved in the joint venture, as permitted under the joint arrangement. The sale of shares is expected to be completed in the second quarter of 2025 at the original subscription price.

As a result, the management assessed that the 30% interest in CLI NUD would be recovered through a sale transaction rather than continuing use; hence, was accounted for in accordance with PFRS 5. The carrying amount of the investment amounting to P237,832,347, which is lower than its fair value less cost to sell, was presented as Non-current Asset Held for Sale in the 2024 statement of financial position. The Company did not recognize any losses in relation to this transaction in 2024.

10. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	Building and Parking Units	Operating Equipment	Transportation Equipment	Furniture and Fixture	Leasehold Improvements	Construction In Progress	Total
December 31, 2024							
Cost	617,550,127	134,002,237	66,533,445	45,124,579	4,392,461	6,889,396,725	7,756,999,574
Accumulated depreciation and amortization	(139,815,097)	(85,332,317)	(46,143,704)	(34,983,306)	(2,843,490)	-	(309,117,914)
Net Carrying Amount	477,735,030	48,669,920	20,389,741	10,141,273	1,548,971	6,889,396,725	7,447,881,660
December 31, 2023							
Cost	546,791,391	122,949,665	56,101,383	44,479,066	4,392,461	5,496,193,456	6,270,907,422
Accumulated depreciation and amortization	(113,442,334)	(68,471,110)	(43,808,343)	(29,926,065)	(2,637,309)	-	(258,285,161)
Net carrying amount	433,349,057	54,478,555	12,293,040	14,553,001	1,755,152	5,496,193,456	6,012,622,261
January 1, 2023							
Cost	373,019,225	111,049,218	52,286,882	35,095,811	4,370,139	3,708,701,466	4,284,522,741
Accumulated depreciation and amortization	(88,891,788)	(52,185,686)	(38,939,854)	(25,346,548)	(2,432,614)	-	(207,796,490)
Net carrying amount	284,127,437	58,863,532	13,347,028	9,749,263	1,937,525	3,708,701,466	4,076,726,251

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2024, 2023 and 2022 is shown below.

<i>(Amounts in PHP)</i>	Building and Parking Units	Operating Equipment	Transportation Equipment	Furniture and Fixture	Leasehold Improvements	Construction In Progress	Total
Balance at January 1, 2024, net of accumulated depreciation and amortization	433,349,057	54,478,555	12,293,040	14,553,001	1,755,152	5,496,193,456	6,012,622,261
Additions	34,099,455	11,526,617	15,466,569	645,513	-	1,427,349,445	1,489,087,599
Disposals	-	(26,008)	(1,345,690)	-	-	-	(1,371,698)
Reclassification	36,659,280	-	-	-	-	(34,146,176)	2,513,104
Depreciation and amortization charges for the year	<u>(26,372,762)</u>	<u>(17,309,244)</u>	<u>(6,024,178)</u>	<u>(5,057,241)</u>	<u>(206,181)</u>	<u>-</u>	<u>(54,969,606)</u>
Balance at December 31, 2024, net of accumulated depreciation and amortization	<u>477,735,030</u>	<u>48,669,920</u>	<u>20,389,741</u>	<u>10,141,273</u>	<u>1,548,971</u>	<u>6,889,396,725</u>	<u>7,447,881,660</u>
Balance at January 1, 2023, net of accumulated depreciation and amortization	284,127,437	58,863,532	13,347,028	9,749,263	1,937,525	3,708,701,466	4,076,726,251
Additions	(2,003,261)	12,009,288	3,814,501	9,383,255	22,321	1,787,491,990	1,810,718,094
Disposals	-	(33,885)	-	-	-	-	(33,885)
Reclassification	175,775,427	-	-	-	-	-	175,775,427
Depreciation and amortization charges for the year	<u>(24,550,546)</u>	<u>(16,360,380)</u>	<u>(4,868,489)</u>	<u>(4,579,517)</u>	<u>(204,694)</u>	<u>-</u>	<u>(50,563,626)</u>
Balance at December 31, 2023, net of accumulated depreciation and amortization	<u>433,349,057</u>	<u>54,478,555</u>	<u>12,293,040</u>	<u>14,553,001</u>	<u>1,755,152</u>	<u>5,496,193,456</u>	<u>6,012,622,261</u>
Balance at January 1, 2022, net of accumulated depreciation and amortization	211,195,658	51,564,500	17,869,563	10,432,469	21,950	102,799,019	393,883,159
Additions	55,888,147	19,487,678	1,587,688	2,919,875	2,017,179	2,336,934,319	2,418,834,886
Disposals	-	(94,092)	(4,192,326)	-	-	-	(4,286,418)
Reclassification	32,066,847	-	-	-	-	1,268,968,128	1,301,034,975
Depreciation and amortization charges for the year	<u>(15,023,215)</u>	<u>(12,094,554)</u>	<u>(1,917,897)</u>	<u>(3,603,081)</u>	<u>(101,604)</u>	<u>-</u>	<u>(32,740,351)</u>
Balance at December 31, 2022, net of accumulated depreciation and amortization	<u>284,127,437</u>	<u>58,863,532</u>	<u>13,347,028</u>	<u>9,749,263</u>	<u>1,937,525</u>	<u>3,708,701,466</u>	<u>4,076,726,251</u>

Construction in progress pertains to costs incurred by the Company, including applicable borrowing costs, in relation to its ongoing development of its hotels and resorts, which are expected to be completed on dates ranging from 2025 to 2027. These assets are not depreciated until such time they are completed and available for use.

Depreciation and amortization expenses on property and equipment is presented as part of Operating Expenses in the statements of profits or loss (see Note 19).

In 2024, the Company reclassified Real Estate Inventory and Investment Property with carrying amount of P2,200,604 and P312,500, respectively, to Building and Parking Units (see Notes 6 and 12). In 2023, the Company reclassified Real Estate Inventory and Deposit from Purchased Properties with a carrying amount of P13,080,558 and P162,694,869, respectively, to Building and Parking Units. These properties are currently being used as staff houses for the Company's employees.

In 2022, the Company reclassified certain retail buildings previously presented as Investment Properties with an aggregate amount of P1,301,034,975 to Property and Equipment (see Note 12). These pertain to the ongoing construction of buildings which will be used in hotel operations and for administrative purposes.

Borrowing costs that are capitalized as part of property and equipment amounted to P806,119,068, P515,412,919, and P413,771,181 in 2024, 2023, and 2022 respectively, which represents the interest incurred on loans and corporate notes obtained to fund the construction projects (see Note 14). Capitalization rate used for the borrowings ranges from 5.50% to 9.50%, 4.75% to 9.25%, and 4.00% to 8.00% in 2024, 2023, and 2022 respectively.

Property and equipment with a total carrying amount of P6,568,090,991 and P5,446,829,75 as at December 31, 2024 and 2023, respectively, are used as collateral for certain interest-bearing loans and borrowings (see Note 14).

As at December 31, 2024 and 2023, the cost of the Company's fully-depreciated property and equipment that are still used in operations amounts to P119,926,568 and P113,057,781, respectively.

11. LEASES

The Company entered into lease contracts, as lessee, for leases of land. With the exception of short-term leases and leases of low-value underlying assets, each lease is presented in the statement of financial position as Right-of-use Assets and the corresponding obligation as Lease Liabilities. Variable lease payments which do not depend on an index, or a rate are excluded from the initial measurement of the lease liability and asset.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For the lease on the land, the Company must insure all the improvements made on the property.

The table below presents a summary of the Company's leasing activities for parcels of land, which are recognized as right-of-use assets in the statements of financial position.

	Number of right-of-use asset leased	Range of remaining term	Number of leases with extension option	Number of lease with purchase option	Number of leases with termination option
December 31, 2024	4	19 to 36 years	-	-	-
December 31, 2023	3	29 to 39 years	-	-	-

11.1 Right-of-use Assets

The carrying amounts of the Company's right-of-use assets as at December 31, 2024 and 2023 and the movements during the year are shown below.

<i>(Amounts in PHP)</i>	2024	2023
Cost		
Balance at beginning of year	980,338,540	980,062,635
Additions	5,176,040	-
Amendment of lease contract	-	275,905
Balance at end of year	985,514,580	980,338,540
Accumulated amortization		
Balance at beginning of year	92,735,285	69,312,681
Amortization	25,524,279	23,422,604
Balance at end of year	118,259,564	92,735,285
Carrying amount	867,255,016	887,603,255

11.2 Lease Liabilities

Lease liabilities are presented in the statement of financial position as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Current	41,197,368	37,685,586
Non-current	968,523,528	939,780,431
	<u>1,009,720,896</u>	<u>977,466,017</u>

The Company is fully liable for the rentals on the remaining term of the lease of office space, including any interest, penalties, utility charges and damages for termination prior to expiration of the contract. The contracts of lease on land does not provide for any future lease termination and extension options. The undiscounted maturity analysis of lease liabilities are as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Gross payments		
Within one year	41,197,368	37,685,586
From one to two years	54,676,118	40,551,343
From two to three years	55,793,620	53,991,333
From three to four years	56,693,315	55,067,747
From four to five years	57,876,137	56,693,315
More than five years	3,093,467,476	3,151,343,613
	<u>3,359,704,034</u>	<u>3,395,332,937</u>
Total finance charge	<u>(2,349,983,138)</u>	<u>(2,417,866,920)</u>
Net present value	<u>1,009,720,896</u>	<u>977,466,017</u>

11.3 Lease Payments Not Recognized as Liabilities

The Company has elected not to recognize lease liability for short-term leases or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred. The expense relating to short-term leases and low-value assets is presented as Rent as part of Operating Expenses in the statements of profit or loss (see Note 19).

11.4 Additional Profit or Loss and Cash Flow Information

The total cash outflows in respect of leases amounted to P41,160,078, P36,783,822 and P562,543 in 2024, 2023 and 2022, respectively. The interest expense in relation to lease liabilities are presented as part of Finance Costs in the statements of profit or loss (see Note 22).

12. INVESTMENT PROPERTIES

The Company's investment properties include condominium units and retail building. The gross carrying amounts and accumulated depreciation of investment properties at the beginning and end of 2024 and 2023 are shown below.

	Rent Building	Condominium Units	Parking Units	Construction in Progress	Total
December 31, 2024					
Costs	819,261,641	804,566,616	31,371,804	9,172,898,121	10,828,098,182
Accumulated depreciation	(118,256,905)	(170,900,898)	(12,236,722)	-	(301,394,525)
Carrying amount	<u>701,004,736</u>	<u>633,665,718</u>	<u>19,135,082</u>	<u>9,172,898,121</u>	<u>10,526,703,657</u>
December 31, 2023					
Costs	818,087,172	804,566,616	31,371,804	8,167,614,923	9,821,640,515
Accumulated depreciation	(94,143,690)	(145,870,372)	(10,668,132)	-	(250,682,194)
Carrying amount	<u>723,943,482</u>	<u>658,696,244</u>	<u>20,703,672</u>	<u>8,167,614,923</u>	<u>9,570,958,321</u>
January 1, 2023					
Costs	777,095,974	804,566,616	31,371,804	8,525,649,180	10,138,683,574
Accumulated depreciation	(71,367,624)	(120,839,845)	(9,099,542)	-	(201,307,011)
Carrying amount	<u>705,728,350</u>	<u>683,726,771</u>	<u>22,272,262</u>	<u>8,525,649,180</u>	<u>9,937,376,563</u>

A reconciliation of the carrying amounts of investment properties at the beginning and end of years 2024, 2023 and 2022 is shown below.

	Rent Building	Condominium Units	Parking Units	Construction in Progress	Total
Balance at January 1, 2024, net of accumulated depreciation	723,943,482	658,696,244	20,703,672	8,167,614,923	9,570,958,321
Additions	-	-	-	1,922,497,859	1,922,497,859
Reclassifications	1,174,469	-	-	(917,214,661)	(916,040,192)
Depreciation during the year	(24,113,215)	(25,030,526)	(1,568,590)	-	(50,712,331)
Balance at December 31, 2024, net of accumulated depreciation	<u>701,004,736</u>	<u>633,665,718</u>	<u>19,135,082</u>	<u>9,172,898,121</u>	<u>10,526,703,657</u>
Balance at January 1, 2023, net of accumulated depreciation	705,728,350	683,726,771	22,272,262	8,525,649,180	9,937,376,563
Additions	40,991,198	-	-	1,094,007,916	1,134,999,114
Reclassifications	-	-	-	(1,452,042,173)	(1,452,042,173)
Depreciation during the year	(22,776,066)	(25,030,527)	(1,568,590)	-	(49,375,183)
Balance at December 31, 2023, net of accumulated depreciation	<u>723,943,482</u>	<u>658,696,244</u>	<u>20,703,672</u>	<u>8,167,614,923</u>	<u>9,570,958,321</u>
Balance at January 1, 2022, net of accumulated depreciation	727,535,090	695,622,048	23,840,898	4,831,135,183	6,278,133,219
Additions	250,000	-	-	4,995,548,972	4,995,798,972
Reclassifications	-	12,559,602	-	(1,301,034,975)	(1,288,475,373)
Depreciation during the year	(22,056,740)	(24,454,879)	(1,568,636)	-	(48,080,255)
Balance at December 31, 2022, net of accumulated depreciation	<u>705,728,350</u>	<u>683,726,771</u>	<u>22,272,262</u>	<u>8,525,649,180</u>	<u>9,937,376,563</u>

In 2024 and 2023, the Company reclassified investment property to real estate inventories amounting to P915,727,692 and P1,452,042,173 (see Note 6). The Company reclassified investment property amounting to P312,500 and P1,174,469 to property and equipment and Rent Building in 2024. In 2022, the Company reclassified investment properties to property and equipment amounting to P1,301,034,975 (see Note 10) and reclassified real estate inventories to investment properties amounting to P12,559,602 (see Note 6). Reclassifications to real estate inventories were made as a result of the change in the use of the properties from being held for lease to being held for sale. The changes are evidenced by modifications in business and development plans, securing necessary permits, commencement of marketing activities to sell the properties and obtaining reservations from customers.

On the other hand, for properties reclassified to property and equipment, the Company determined that these assets were no longer intended to be leased. Instead, they are now designated for use in the Company's operations, as evidenced by their integration into the Company's business plans and operational activities.

Income and expenses from investment properties for the years ended December 31, 2024, 2023 and 2022 are presented below.

	<u>Notes</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Rental income:				
Retail building		87,119,947	66,607,395	58,487,878
Condominium units		23,740,241	30,439,823	16,342,653
Parking units		2,824,677	823,682	922,042
Others		141,296	3,642,292	-
	17.1	<u>113,826,161</u>	<u>101,513,196</u>	<u>75,752,573</u>
Expenses:				
Depreciation	18	50,712,332	49,375,183	48,080,255
Others	18	-	793,674	-
		<u>50,712,332</u>	<u>50,168,857</u>	<u>48,080,255</u>

Investment properties have a total fair value of P11,515,966,121 and P10,480,049,923 as at December 31, 2024 and 2023, respectively, based on the appraisal done by an independent expert [see Note 30.3(c)]. On the basis primarily of the foregoing valuations, management has assessed that no impairment loss is required to be provided on the Company's investment properties as at December 31, 2024 and 2023 [see Note 3.2(g)].

Investment property with a total carrying amount of P5,393,442,095 and P5,641,374,289 as at December 31, 2024 and 2023, respectively, are used as collateral for certain interest-bearing loans of the Company (see Note 14).

Borrowing costs that are capitalized as part of investment property amounted to P549,434,669, P255,688,202, and P81,741,424 in 2024, 2023, and 2022 respectively, which represented the specific borrowing costs incurred on loans and corporate notes obtained to fund the construction projects (see Note 14). The capitalization rate used for the borrowing ranges from 5.50% and 9.50%, 4.75% to 9.25% and 4.00% and 8.00% for the years ended December 31, 2024, 2023, and 2022 respectively.

13. OTHER NON-CURRENT ASSETS

This account includes the following:

<i>(Amounts in PHP)</i>	Notes	2024	2023
Deferred commission	17.3	1,155,971,774	822,527,957
Advances to subcontractors		521,781,528	540,406,800
Refundable deposits		142,915,985	135,422,187
Computer software - net		19,553,095	25,314,992
Investment in equity securities		9,375,002	9,375,002
Deposits for purchased properties	25.3	1,478,338	169,252
Deferred input VAT		-	4,624,926
Others		979,000	1,342,728
		1,852,054,722	1,539,183,844

Advances to subcontractors include advance payments for materials, payment of labor and overhead expenses for on-going construction of investment properties. These are applied against the progress billings of subcontractors.

Refundable deposits pertain to recoverable payments by the Company which are expected to be realized at the end of the term of the agreement. These are measured at amortized cost.

The gross carrying amounts and accumulated amortization of Computer software at the beginning and end of 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	2024	2023
Cost	66,448,992	65,252,045
Accumulated amortization	(46,895,897)	(39,937,053)
Carrying amount	19,553,095	25,314,992

Total additions to computer software amounted to P1,196,947, P1,914,986 and P3,064,324 in 2024, 2023 and 2022, respectively. The amortization expense on the computer software amounted to P6,958,844, P7,962,055 and P8,831,626 in 2024, 2023 and 2022, respectively, and is presented as part of Depreciation and amortization under Operating Expenses in the statements of profit or loss (see Note 19).

Deposit for purchased properties pertains to the condominium units purchased by the Company under pre-completed contracts. Upon completion, the Company intends to use these properties.

14. INTEREST-BEARING LOANS AND BORROWINGS

The outstanding balance of interest-bearing loans and corporate notes are presented in the statement of financial position as follows:

<i>(Amounts in PHP)</i>	Note	2024	2023
Current:			
Bank loans	14.1	6,005,486,476	8,951,962,280
Corporate notes	14.2	2,537,500,000	1,491,666,667
		<u>8,542,986,476</u>	<u>10,443,628,947</u>
Non-current:			
Bank loans	14.1	21,622,336,113	15,764,013,957
Corporate notes	14.2	7,237,335,826	9,750,043,838
		<u>28,859,671,939</u>	<u>25,514,057,795</u>
		<u>37,402,658,415</u>	<u>35,957,686,742</u>

14.1 Bank Loans

An analysis of the movements in the balance of interest-bearing loans is below.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	24,715,976,237	17,118,897,631
Proceeds and drawdowns - net	13,789,278,958	11,434,269,173
Repayments	(10,952,516,827)	(3,932,759,661)
Amortization of debt issue costs	75,084,221	95,569,094
Balance at end of year	<u>27,627,822,589</u>	<u>24,715,976,237</u>

A reconciliation of the unamortized debt issue cost at the beginning and end of 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	118,299,741	77,970,874
Debt issue costs from new loans	72,121,408	135,897,962
Amortization of debt issue costs	(75,084,221)	(95,569,095)
Balance at end of year	<u>115,336,928</u>	<u>118,299,741</u>

The loans bear interest rates per annum ranging from 5.25% to 9.50%, 4.75% to 9.25%, and 4.00% to 7.50% in 2024, 2023, and 2022, respectively. Certain loans are collateralized by the certain projects for which the loans were obtained. The cost of such projects aggregating to P15,332,297,077 and P16,396,751,857 as at December 31, 2024 and 2023, respectively, are included in the Real Estate Inventories, Property and Equipment, and Investment Properties accounts in the statements of financial position (see Notes 6, 10 and 12).

The loans bear interest ranging from 5.25% to 9.25%, 4.75% to 9.25%, and 4.00% to 7.50% in 2024, 2023, and 2022 respectively. Total interest incurred from the foregoing loans, amounted to P2,146,838,387, P1,543,769,115 and P747,764,300 in 2024, 2023 and 2022, respectively, and of which P778,449,583, P431,843,778 and P199,770,387, respectively, were capitalized as part of Property and Equipment and Investment Properties (see Notes 10 and 12). Capitalization rate used in determining the amount of interest charges qualified for capitalization ranges from 5.25% to 8.75%, 4.75% to 9.25% and 4.00% to 7.50% in 2024, 2023, and 2022 respectively.

The Company is required to maintain the specifically defined financial ratios with respect to (a) maximum debt to equity ratio ranging from 2.5:1 to 3.0:1; (b) minimum current ratio of 1:1; and, (c) minimum interest coverage ratio of 3:1. As at December 31, 2024 and 2023, the Company is compliant with the requirements.

14.2 Corporate Notes

The Company and various financial institutions executed a Notes Facility Agreement (NFA) for the issuance of long-term corporate notes (LTCN) totaling P13,000,000,000 and two short-dated notes (SDN) amounting to P2,000,000,000 and P3,000,000,000, respectively.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	11,241,710,505	12,334,545,777
Repayments	(1,491,666,667)	(1,117,559,524)
Amortization of debt issue costs	24,791,988	24,724,252
Balance at end of year	<u>9,774,835,826</u>	<u>11,241,710,505</u>

The NFA is composed of the following tranches:

<i>(Amounts in PHP)</i>				
	<u>Date Executed</u>	<u>Tranche</u>	<u>Tenor</u>	<u>Principal Amount</u>
LTCN	07/20/2018	Series A	Seven years	2,500,000,000
		Series B	Ten years	1,000,000,000
		Series C	Ten years with repricing on the interest rate re-setting date	1,500,000,000
	03/05/2020	Series D	Five years	1,300,000,000
		Series E	Seven years	5,700,000,000
		Series F	Ten years	<u>1,000,000,000</u>
				<u>13,000,000,000</u>
SDN	10/25/2019	SDN 1	18 months from drawdown date	2,000,000,000
		SDN 2	18 months from drawdown date	<u>3,000,000,000</u>
				<u>5,000,000,000</u>

The Company made the following drawdowns from the NFA.

<i>(Amounts in PHP)</i>				
Year	Tranche	Interest Rate	Maturity Dates	Amount
2021	SDN 2	3.88%	November 2022	<u>3,000,000,000</u>
2020	Series D	3.46%	September 2025	1,300,000,000
	Series E	3.54% - 4.66%	April 2027	5,700,000,000
	Series F	4.23% - 5.23%	March 2030	<u>1,000,000,000</u>
				<u>8,000,000,000</u>
2019	Series A	7.25%	January 2026	2,000,000,000
	SDN 1	4.75%	April 2021	<u>2,000,000,000</u>
				<u>4,000,000,000</u>
2018	Series A	7.25%	December 2025	500,000,000
	Series B	6.63%	August - September 2028	1,000,000,000
	Series C	6.75%	October - December 2028	<u>1,500,000,000</u>
				<u>3,000,000,000</u>

In 2021 the Company recognized debt issuance costs for new NFA amounting to P27,236,842, which has a carrying amount of P52,842,744 and P77,634,734 as at December 31, 2024 and 2023, respectively, in relation to the drawdowns from the NFA. The debt issuance cost amortization in 2024, 2023 and 2022 amounted to P24,791,988, P24,724,251 and P40,007,146, respectively. The debt issuance costs are deducted from the fair value or issue price of the note.

The total interest incurred related to the NFA, including amortization of debt issuance cost, amounted to P606,939,694, P667,255,268 and P836,758,484 in 2024, 2023 and 2022, respectively, of which P369,697,770, P236,252,622 and P273,786,274 was capitalized as part of Property and Equipment and Investment Properties in 2024, 2023 and 2022, respectively (see Notes 10 and 12).

The total interest expense related to the above loans, which are included as part of Finance Costs in the statements of profit or loss (see Note 22).

The total accrued interest on bank loans and corporate notes amounted to P165,362,057 and P165,362,057 as at December 31, 2024 and 2023, respectively, and is presented as part of Accrued expenses under the Trade and Other Payables account in the statements of financial position (see Note 16).

The Company is required to maintain the specifically defined financial ratios with respect to (a) maximum debt to equity ratio ranging from 2.5:1 to 3.0:1; (b) minimum current ratio of 1:1; and, (c) minimum interest coverage ratio of 3:1. As at December 31, 2024 and 2023, the Company is compliant with the requirements.

15. BONDS PAYABLE

On September 23, 2022, CLI registered with the SEC its debt securities program of P15,000,000,000 fixed rate bonds, which will be offered in one or more tranches within three years.

On October 7, 2022, the Company issued the first tranche of its fixed rate bonds amounting to P5,000,000,000 and was listed with the Philippine Dealing & Exchange Corp. (PDEx). The bonds have been rated “PRS Aa plus” with a stable outlook by PhilRatings and are comprised of the following tenors:

- Series A – maturity of 3.5 years and a coupon rate of 6.4222%;
- Series B – maturity of 5.5 years and a coupon rate of 6.9884%; and,
- Series C – maturity of 7 years and a coupon rate of 7.3649%.

In 2022, the Company recognized bond issuance costs amounting to P73,372,369 in relation to the issuance of the first tranche of the bonds, which has a carrying amount of P35,231,074 and P52,177,479 as at December 31, 2024 and 2023, respectively. In 2023, the Company capitalized a portion of the amortization of bond issuance costs amounting to P13,775,773 as part of real estate inventory, property and equipment and investment property. No similar capitalization was made in 2022. The Company expensed the amortization amounting to P3,170,672 and P3,158,387, in 2024 and 2023, respectively.

The total interest incurred related to the bonds, including amortization of bond issuance cost, amounted to P352,556,540, P357,691,033, and P82,547,408 in 2024, 2023, and 2022 respectively, of which P207,406,384, P102,974,721, and P21,955,944 was capitalized as part of construction costs in 2024, 2023, and 2022 respectively. In 2024 and 2023, the Company recognized interest expense amounting to P134,677,312, P66,856,481, and P15,444,620 respectively, (see Note 22).

Capitalization rate used in determining the amount of interest charges qualified for capitalization ranges from 6.89% to 7.64% and from 6.89% to 7.64% in 2024 and 2023, respectively.

The Company is required to maintain the specifically defined financial ratios with respect to (a) maximum debt to equity ratio ranging from 2.5:1 to 3.0:1; (b) minimum current ratio of 1:1; and, (c) minimum interest coverage ratio of 3:1. As at December 31, 2024 and 2023, the Company is compliant with the requirements.

16. TRADE AND OTHER PAYABLES

This account is composed of the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Current:			
Unbilled construction costs		5,555,479,989	7,413,695,902
Trade payables		3,070,622,920	2,935,361,656
Sales commissions payable		2,988,113,625	2,737,881,417
Retention payable		541,165,109	741,489,590
Dividends payable	26	339,406,706	-
Accrued expenses	14	280,625,981	226,069,294
Due to related parties	25.2	66,018,130	60,834,175
Government-related obligations		42,038,290	65,655,634
Output VAT		15,839,978	39,027,257
Other payables		6,086,822	3,910,324
		<u>12,905,397,550</u>	<u>14,223,925,249</u>
Non-current:			
Retention payable		478,402,441	140,513,947
Advance rental		31,695,903	24,267,048
Security deposits from tenants		22,699,729	19,931,968
Accrued land cost		6,304,042	6,304,042
Other payables		10,908,824	2,500,063
		<u>550,010,939</u>	<u>193,517,068</u>
		<u>13,455,408,489</u>	<u>14,417,442,317</u>

Unbilled construction costs pertain to obligations to contractors for services already performed but not yet billed to the Company.

Trade payables mainly represent outstanding obligations to owners of parcels of land acquired, subcontractors and suppliers of construction materials for the Company's projects.

Sales commissions payable pertains to estimated obligations to agents.

Retention payable pertains to amount withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. A portion of the amount retained that is not expected to be paid within 12 months from the end of the reporting period is presented as part of non-current liabilities in the statements of financial position.

Accrued expenses pertain to accruals for contracted services, security services, professional fees, and other recurring accruals in the Company's operations.

17. REVENUE FROM CONTRACTS WITH CUSTOMERS AND CONTRACT BALANCES

17.1 Disaggregation of Contract Revenues

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical areas:

<i>(Amounts in PHP)</i>	Cebu	Visayas	Mindanao	Luzon	Total
<u>2024</u>					
<i>Sales of real estate units and interest income</i>					
Over time	3,098,778,856	1,634,519,974	3,939,692,259	855,669,206	9,528,660,295
At a point in time	285,967,977	116,497,812	928,846,332	6,410,000	1,337,722,121
	<u>3,384,746,833</u>	<u>1,751,017,786</u>	<u>4,868,538,591</u>	<u>862,079,206</u>	<u>10,866,382,416</u>
<i>Lease of properties</i>					
Over time	113,826,161	-	-	-	113,826,161
<i>Render of management services</i>					
Over time	<u>70,124,722</u>	<u>31,733,387</u>	<u>44,791,913</u>	<u>-</u>	<u>146,650,022</u>
	<u>3,568,697,716</u>	<u>1,782,751,173</u>	<u>4,913,330,504</u>	<u>862,079,206</u>	<u>11,126,858,599</u>
<u>2023</u>					
<i>Sale of real estate units and interest income</i>					
Over time	5,851,080,829	3,007,663,343	1,457,391,813	544,680,899	10,860,816,884
At a point in time	17,677,346	139,887,766	49,590,140	22,880,000	230,035,252
	<u>5,868,758,175</u>	<u>3,147,551,109</u>	<u>1,506,981,953</u>	<u>567,560,899</u>	<u>11,090,852,136</u>
<i>Lease of properties</i>					
Over time	101,513,196	-	-	-	101,513,196
<i>Render of management services</i>					
Over time	<u>75,098,972</u>	<u>24,874,604</u>	<u>54,403,224</u>	<u>-</u>	<u>154,376,800</u>
	<u>6,045,370,343</u>	<u>3,172,425,713</u>	<u>1,561,385,177</u>	<u>567,560,899</u>	<u>11,346,742,132</u>
<u>2022</u>					
<i>Sale of real estate units and interest income</i>					
Over time	4,896,280,081	3,514,891,401	2,837,004,591	7,441,250	11,255,617,323
At a point in time	270,421,612	30,553,637	29,351,185	42,979,100	373,305,534
	<u>5,166,701,693</u>	<u>3,545,445,038</u>	<u>2,866,355,776</u>	<u>50,420,350</u>	<u>11,628,922,857</u>
<i>Lease of properties</i>					
Over time	75,752,573	-	-	-	75,752,573
<i>Render of management services</i>					
Over time	<u>76,944,068</u>	<u>11,948,758</u>	<u>53,039,115</u>	<u>-</u>	<u>141,931,941</u>
	<u>5,319,398,334</u>	<u>3,557,393,796</u>	<u>2,919,394,891</u>	<u>50,420,350</u>	<u>11,846,607,371</u>

17.2 Contract Balance

The breakdown of contract balances is as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Contract assets	34,200,985,217	32,717,768,497
Contract liabilities	(120,537,515)	(164,891,955)
Contract assets - net	<u>34,080,447,702</u>	<u>32,552,876,542</u>

The Company recognizes a contract asset when the performance of property development is ahead of the collection of the consideration.

Contract assets is presented in the statements of financial position as follows.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Current	15,436,691,263	19,482,468,256
Non-current	18,764,293,954	13,235,300,241
	<u>34,200,985,217</u>	<u>32,717,768,497</u>

A reconciliation of the opening and closing balance of Contract Assets in 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	32,717,768,497	25,386,768,172
Performance of property development	9,570,886,121	9,784,317,740
Collections	(4,993,530,782)	(3,578,808,879)
Transfers to contract receivables	(4,216,136,303)	-
Accretion of interest income	1,121,997,684	1,125,491,464
Balance at end of year	<u>34,200,985,217</u>	<u>32,717,768,497</u>

The Company recognizes contract assets, due to timing difference of payment and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as of the end of the reporting period. Its classification and presentation in the statements of financial position is based on the Company's estimate of project completion; hence, any change in estimated completion period affects transfers to contracts receivables.

A reconciliation of the carrying amounts of contract liabilities at the beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	164,891,955	289,366,657
Revenue recognized that was included in contract liability at the beginning of year	(136,074,559)	(202,474,928)
Accretion of interest expense	57,782,158	21,431,996
Increase due to cash received excluding amount recognized as revenue during the year	33,937,961	56,568,230
Balance at end of year	<u>120,537,515</u>	<u>164,891,955</u>

Contract liabilities pertain to collections from buyers that are ahead of the stage of completion of the real estate units sold. Collections from buyers on sale of real estate units where the gating criteria for recognition of sales contract have yet to be met are accounted as Customers' Deposits, which amounted to P78,940,908 and P135,710,979 as at December 31, 2024 and 2023, respectively.

17.3 Direct Contract Cost

The Company incurs sales commissions upon execution of contracts to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Deferred commission presented under Prepayments and Other Non-current Assets accounts in the statements of financial position (see Notes 8 and 13). These are amortized over the expected construction period on the same basis as how the Company measures progress towards complete satisfaction of its performance obligation in its contracts. The total amount of amortization for 2024, 2023 and 2022 is presented as Commissions and incentives under Operating Expenses (see Note 19).

The Company's deferred commission are presented in the statements of financial position as follows:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Current	8	1,136,472,648	1,320,763,478
Non-current	13	<u>1,155,971,774</u>	<u>822,527,957</u>
		<u>2,292,444,422</u>	<u>2,143,291,435</u>

The movement in balances of deferred commission in 2024 and 2023 is presented below:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year		2,143,291,435	650,746,260
Additional capitalized cost		771,759,655	2,130,550,858
Amortization for the year	19	<u>(622,606,668)</u>	<u>(638,005,683)</u>
Balance at end of year		<u>2,292,444,422</u>	<u>2,143,291,435</u>

17.4 Transaction Price Allocated to Unsatisfied Performance Obligations

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts as at December 31, 2024 and 2023 is P15,674,554,732 and P16,714,681,514, respectively. As at December 31, 2024 and 2023, the Company expects to recognize revenue from unsatisfied contracts as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Within a year	10,922,224,589	11,250,735,558
More than one year to three years	4,752,330,143	5,463,945,956
	<u>15,674,554,732</u>	<u>16,714,681,514</u>

18. COSTS OF SALES AND SERVICES

Components of costs of sales and services are analyzed below.

<i>(Amounts in PHP)</i>		<u>2024</u>	<u>2023</u> (As restated – see Note 2)	<u>2022</u> (As restated – see Note 2)
	<u>Notes</u>			
Cost of real estate sales:				
Materials and				
contracted labor	19	3,613,585,028	4,089,277,859	4,862,911,114
Land cost	19	854,459,426	755,964,353	832,338,731
Other costs		210,088,028	194,741,748	158,985,487
		<u>4,678,132,482</u>	<u>5,039,983,960</u>	<u>5,854,235,332</u>
Cost of rental services:				
Depreciation	12	50,712,332	49,375,183	48,080,256
Real property taxes	12	-	793,674	-
		<u>50,712,332</u>	<u>50,168,857</u>	<u>48,080,256</u>
		<u>4,728,844,814</u>	<u>5,090,152,817</u>	<u>5,902,315,588</u>

Cost of real estate sales include contracted services, cost of land, capitalizable borrowing costs and other costs incidental to housing and condominium projects development as shown in Note 19. Contracted services pertain to the constructions contracts which are related to construction labor and materials for the units sold.

19. COSTS AND EXPENSES BY NATURE

The details of costs and expenses by nature are shown below.

<i>(Amounts in PHP)</i>	Notes	2024	2023 (As restated – see Note 2)	2022 (As restated – see Note 2)
Materials and contracted labor	18	3,613,585,028	4,089,277,859	4,862,911,114
Land cost	18	854,459,426	755,964,353	832,338,731
Salaries and employee benefits	23.1	681,556,121	607,390,097	515,728,192
Commissions and incentives	8	622,606,668	638,005,683	627,869,052
Taxes and licenses		286,677,396	135,632,710	208,560,487
Depreciation and amortization	11.1, 12,13	137,055,472	131,323,468	115,405,442
Penalties		85,971,555	22,366,855	2,874,976
Security and janitorial services		64,148,500	39,950,608	22,184,525
Advertising		60,358,047	62,677,462	45,305,124
Utilities		53,367,845	33,787,485	23,937,928
Selling expense		40,212,545	17,021,412	4,812,800
Transportation and travel		39,679,747	26,138,770	22,685,610
Insurance		38,835,892	32,814,534	19,446,501
Professional and legal fees		30,441,340	20,567,022	24,661,729
Representation and entertainment		28,133,114	32,410,097	30,874,801
Subscriptions and membership dues		25,393,564	16,922,321	12,993,887
Repairs and maintenance		23,659,150	20,897,167	13,212,227
Rent	11, 27.2	22,322,080	54,044,006	61,972,854
Supplies		21,053,026	15,537,631	16,598,691
Fuel and lubricants		9,543,359	7,474,661	9,876,935
Communications		8,528,492	6,434,035	5,556,960
Trainings and seminars		5,038,038	1,594,705	1,463,617
Donations		519,749	6,020,619	3,253,849
Others		353,587,704	284,873,299	287,015,458
		<u>7,106,733,858</u>	<u>7,059,126,859</u>	<u>7,771,541,490</u>

The costs and expenses are classified in the statements of profit or loss as follows:

<i>(Amounts in PHP)</i>	Note	2024	2023 (As restated – see Note 2)	2022 (As restated – see Note 2)
Cost of sales and services	18	4,728,844,814	5,090,152,817	5,902,315,588
Operating expenses		2,377,889,044	1,968,974,042	1,869,225,902
		<u>7,106,733,858</u>	<u>7,059,126,859</u>	<u>7,771,541,490</u>

20. OTHER OPERATING INCOME AND OTHER LOSSES

20.1 Other Operating Income

This account is composed of the following:

<i>(Amounts in PHP)</i>	2024	2023	2022
Administrative charges	109,928,863	125,496,612	63,889,484
Move-in fee income	89,155,816	-	26,488,948
Commitment fee	39,281,838	39,655,599	13,716,111
Water service fee	35,761,259	16,337,568	14,260,920
Documentation fee	23,250,000	23,192,879	10,039,993
Sponsorships	10,290,486	14,056,920	7,957,554
Utilities charged to tenants	12,449,190	10,723,514	3,902,053
Late payment penalties charged to customers	5,785,376	9,139,667	6,057,854
Scrap sales	1,681,223	2,163,848	2,017,777
Foreign exchange gains	2,071,162	1,338,935	4,262,002
Referral incentive	2,191,861	1,141,985	1,720,250
Reversal of payables	-	115,283,578	-
Reservation fees foregone	-	125,403	187,047
Others	14,428,834	4,996,331	4,398,115
	<u>346,275,908</u>	<u>363,652,839</u>	<u>158,898,108</u>

Administrative charges pertain to standard fees charged to the buyers when they withdraw from the sale.

Move-in fee income pertain to excess fees charged to real estate buyers upon turn-over of their units over the cost of services to make the buyers' units habitable which include requisition of building insurance and fire extinguisher, processing of related taxes, utility connections and others.

Water service fee pertains to fees charged to home or unit-owners of the turned-over units and condominium projects.

Reversal of payables pertains to outstanding payables related to advances from buyers in excess of the paid transfer charges and move-in fees which are not refunded to the buyers. It also includes outstanding payables from cancelled contracts with certain building contractors and suppliers which the Company is no longer required to pay and income from the write-off of long-outstanding unidentified deposits.

20.2 Other Losses

This account is composed of the following:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Foreign exchange losses	2,623,145	3,215,606	6,380,520
Loss (gain) on sale of assets - net	(1,368,905)	17,411	(128,364)
Others	22,558,752	-	-
	<u>23,812,992</u>	<u>3,233,017</u>	<u>6,252,156</u>

Others pertain to various costs incurred by the Company that are not directly attributable to issuance of Series A-1 and A-2 preferred shares in 2024.

21. FINANCE INCOME

This is composed of the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u> (As Restated – see Note 2)	<u>2022</u> (As Restated – see Note 2)
Interest income on:				
Advances to related parties	25.1	22,206,219	32,371,122	58,794,923
Banks	4	9,831,683	11,618,139	11,881,039
		<u>32,037,902</u>	<u>43,989,261</u>	<u>70,675,962</u>

22. FINANCE COSTS

This is composed of the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023 (As Restated – see Note 2)</u>	<u>2022 (As Restated – see Note 2)</u>
Interest expense on:				
Interest-bearing				
loans	14	1,643,569,313	1,991,031,136	952,523,962
Bonds	15	134,677,312	66,856,481	15,444,620
Lease liabilities	11.4	68,238,917	65,882,750	61,205,859
Deficiency taxes		28,417,950	-	-
Post-employment				
defined obligation	23.3	636,230	428,176	241,469
Day-one loss, net of				
amortization	5	2,666,907	3,751,674	257,332
Bank charges		1,901,059	279,094	307,009
		<u>1,880,107,688</u>	<u>2,128,229,311</u>	<u>1,029,980,251</u>

Interest expense on loans is the portion not capitalized as part of real estate inventories, property and equipment or investment properties (see Notes 6, 10, and 12).

23. EMPLOYEE BENEFITS

23.1 Salaries and Employee Benefits

Expenses recognized for salaries and employee benefits (see Note 19) are presented below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Short-term employee				
benefits		672,777,986	600,634,984	508,138,583
Post-employment				
defined benefit	23.3	7,408,472	4,639,127	4,583,769
Share options	23.2			
	26.4	1,369,663	2,115,986	3,005,840
	19	<u>681,556,121</u>	<u>607,390,097</u>	<u>515,728,192</u>

23.2 Employee Share Option

Employee share option expense, included as part of Salaries and employee benefits expense under the Operating Expenses account in the statements of profit or loss, amounted to P1,369,663 in 2024 and P2,115,986 in 2023 (see Note 23.1), while the corresponding cumulative credit to Share Options Outstanding account is presented under the Equity section of the statements of financial position (see Note 26.4). There was no similar transaction in 2021.

23.3 Post-Employment Benefit Plan

(a) Characteristics of the Defined Benefit Plan

The Company maintains a funded and non-contributory post-employment benefit plan that is being administered by a trustee bank that is legally separated from the Company. The trustee bank manages the fund in coordination with the Company's top management who acts in the best interest of the plan assets and is responsible for setting the investment policies. The post-employment plan covers all regular full-time employees.

The normal retirement age is 60 with a minimum of five years of credited service. The plan also provides for an early retirement at age 50 with a minimum of five years of credited service and late retirement after age 60, both subject to the approval of the Company's BOD. Normal retirement benefit is an amount equivalent to 50% of the final monthly covered compensation (average monthly basic salary during the last 12 months of credited service) for every year of credited service.

(b) Explanation of Amounts Presented in the Financial Statements

Actuarial valuations are made annually to update the post-employment defined benefit costs and the amount of contributions. All amounts presented below are based on the actuarial valuation reports obtained from an independent actuary in 2024 and 2023.

The amounts of post-employment defined benefit obligation recognized in the statements of financial position are determined as presented below.

<i>(Amounts in PHP)</i>	2024	2023
Present value of the obligation	82,925,055	53,883,058
Fair value of plan assets	(42,615,660)	(43,487,144)
	40,309,395	10,395,914

The movements in the present value of the post-employment defined benefit obligation recognized in the books are presented in the below.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	53,883,058	44,024,728
Interest cost	3,297,643	3,178,585
Current service cost	7,408,472	4,639,127
Benefits paid	(2,395,737)	(2,979,087)
Remeasurements – actuarial losses (gains) arising from:		
Experience adjustments	37,353,269	2,676,303
Changes in financial assumptions	(16,621,650)	2,343,402
Balance at end of year	82,925,055	53,883,058

The movements in the fair value of plan assets are presented below.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	43,487,144	34,634,633
Interest income	2,661,413	2,750,409
Benefits paid	(2,395,737)	-
Contributions	-	6,919,362
Loss on plan assets (excluding amounts included in net interest expense)	(1,137,160)	(817,260)
Balance at end of year	42,615,660	43,487,144

The composition of the fair value of plan assets at the end of the reporting period by category and risk characteristics is shown below.

<i>(Amounts in PHP)</i>	2024	2023
Unitized investment funds	33,367,846	35,963,869
Government securities	9,059,820	6,901,410
Receivables	131,176	91,322
Cash and cash equivalents	56,818	530,543
	42,615,660	43,487,144

The fair values of the above unitized investment funds and government debt securities are determined based on quoted market prices in active markets (classified as Level 1 of the fair value hierarchy).

Plan assets do not comprise any of the Company's own financial instruments or any of its assets occupied and/or used in its operations. The plan assets recognized an income of P1,524,253 in 2024 and P1,933,149 in 2023 and P736,246 in 2022.

The components of amounts recognized in profit or loss and other comprehensive income in respect of the defined benefit post-employment plan are presented below and in the succeeding page.

<i>(Amounts in PHP)</i>	2024	2023	2022
<i>Recognized in profit or loss</i>			
Current service cost - net	7,408,472	4,639,127	4,583,769
Net interest expense on defined benefit obligation	636,230	428,176	241,469
	8,044,702	5,067,303	4,825,238

<i>(Amounts in PHP)</i>	2024	2023	2022
<i>Recognized in other comprehensive income</i>			
Actuarial losses (gains) arising from changes in:			
Experience adjustments	37,353,269	2,676,303	2,211,194
Financial assumptions	(16,621,650)	2,343,402	(4,166,909)
Loss on plan assets (excluding amounts included in net interest expense)	1,137,160	817,260	2,533,087
	21,868,779	5,836,965	577,372

The net interest expense is included in Finance Costs in profit or loss (see Note 22).

Amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

In determining the amounts of the defined benefit post-employment obligation, the following significant actuarial assumptions were used:

<i>(Amounts in PHP)</i>	2024	2023	2022
Discount rates	6.12%	6.12%	7.22%
Salary increase rates	3%	7%	7%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 34.75. These assumptions were developed by management with the assistance of an independent actuary.

Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero-coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) *Investment and Interest Risks*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the Company's long-term strategy to manage the plan efficiently.

(ii) *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions, the Company's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are as follows:

(i) *Sensitivity Analysis*

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the post-employment defined benefit obligation:

<i>(Amounts in PHP)</i>	Impact on Post-employment Defined Benefit Obligation		
	Changes in Assumption	Increase in Assumption	Decrease in Assumption
December 31, 2024			
Discount rate	+/-1.0%	(4,106,498)	3,165,843
Salary increase rate	+/-1.0%	3,450,146	(4,610,035)
December 31, 2023			
Discount rate	+/-1.0%	(2,148,365)	1,759,621
Salary increase rate	+/-1.0%	2,571,038	(1,514,962)

In addition, assuming there are no attrition rates, the increase in post-employment defined benefit obligation would be P33,056,0014, P102,849,832, and P64,956,547 in 2024, 2023, and 2022, respectively.

The foregoing sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) *Asset-Liability Matching Strategies*

To efficiently manage the retirement plan, the Company, through its Retirement Plan Committee, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the post-employment obligations by investing in long-term fixed interest securities (i.e., government or corporate bonds) with maturities that match the benefit payments as they fall due and in the appropriate currency. The Company actively monitors how the duration and the expected yield of the investments match the expected cash outflows arising from the post-employment obligations.

There has been no change in the Company's strategies to manage its risks from previous periods.

(iii) *Funding Arrangements and Expected Contributions*

The Company does not expect to make a contribution during the next reporting period.

The maturity profile of undiscounted expected benefit payments from the plan follows:

<i>(Amounts in PHP)</i>	2024	2023
Within one year	33,056,004	36,662,697
More than one year to five years	45,429,141	11,257,978
More than five years to 10 years	67,170,993	11,757,739
More than 10 years	284,010,110	-
	<u>429,666,248</u>	<u>59,678,414</u>

The weighted average duration of the defined benefit obligation at the end of the reporting period is 3.34 years.

24. CURRENT AND DEFERRED TAXES

The Company is registered with the Board of Investments (BOI) as a developer of various economic and low-cost housing projects. Accordingly, the Company enjoys an income tax holiday on the BOI registered projects within three to four taxable years from its registration. The Company has five and eight registered projects with BOI as at December 31, 2024 and 2023, respectively.

The components of tax expense relating to profit or loss and other comprehensive income are as follows:

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
<i>Recognized in profit or loss</i>			
Current tax expense:			
Regular Corporate Income			
Tax (RCIT) at 25%	208,559,755	138,485,018	38,813,545
Final tax	267,625	2,323,592	2,375,510
	208,827,380	140,808,610	41,189,055
Deferred tax expense relating to origination and reversal of temporary differences	419,267,874	839,177,697	916,331,480
	628,095,254	979,986,307	957,520,535
<i>Recognized in other comprehensive income</i>			
Deferred tax income (expense) arising from origination and reversal of temporary differences	5,467,195	1,459,242	144,343
	5,467,195	1,459,242	144,343

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in the statements of profit or loss is presented below.

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
Tax on pretax profit at 25%	892,593,334	953,357,034	924,776,327
Adjustments for income subject to lower tax rates	(2,725,546)	(580,943)	(594,750)
Tax effects of:			
Non-taxable income	(284,705,283)	(305,762,480)	(107,674,441)
Timing difference from tax exempt real estate sales	15,887,569	326,549,783	134,085,841
Non-deductible expenses	7,045,180	6,422,913	6,927,558
Tax expense	628,095,254	979,986,307	957,520,535

Non-taxable income primarily pertains to the tax effect of the Company's share in net profit of its subsidiaries, associates and joint venture which is a permanent difference for tax purposes.

The net deferred tax liabilities relate to the following as at December 31:

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – See Note 2)
Deferred tax liabilities:		
Difference between tax reporting base and financial reporting base used in sales recognition	4,112,378,010	3,642,480,739
Rental income	876,714	11,108,472
	<u>4,113,254,724</u>	<u>3,653,589,211</u>
Deferred tax assets:		
Recognition of commission	(137,350,396)	(112,382,021)
Net lease liabilities	(46,022,268)	(35,256,594)
Post-employment defined benefit obligation	(2,729,475)	(2,240,307)
Unamortized past service cost	(1,486,199)	(1,486,199)
Employee stock option	(987,320)	(644,905)
Others	(10,423,878)	(1,659,926)
	<u>(198,999,536)</u>	<u>(154,669,952)</u>
	<u>3,914,255,188</u>	<u>3,499,919,259</u>

The components of deferred tax expense (income) are as follows:

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – See Note 2)	2022 (As Restated – See Note 2)
<i>Reported in profit or loss:</i>			
Deferred tax liabilities:			
Difference between tax reporting base and financial reporting base used in sales recognition	469,897,271	875,216,531	961,226,694
Rental income	3,572,421	6,508,401	11,891,664
Deferred tax assets:			
Recognition of commission	(24,968,375)	(30,750,683)	(34,648,764)
Net lease liabilities	(10,765,674)	(10,299,464)	(20,896,832)
Post-employment defined benefit obligation-net	(488,337)	(1,188,097)	(1,078,942)
Unamortized past service cost	-	287,887	272,617
Others	(17,979,432)	(596,878)	(434,957)
Tax expense	<u>419,267,874</u>	<u>839,177,697</u>	<u>916,331,480</u>
<i>Reported in other comprehensive income –</i>			
Post-employment defined benefit obligation	<u>(5,467,195)</u>	<u>(1,459,242)</u>	<u>(144,343)</u>

In 2024, 2023 and 2022, the Company is subject to the minimum corporate income tax (MCIT), which is computed at 1% of gross income before July 1, 2023 and 2% thereafter, net of allowable deductions, as defined under the tax regulations, or to RCIT, whichever is higher. No MCIT was reported in 2024, 2023 and 2022 as the RCIT was higher than MCIT in these years.

The Company opted to treat the capitalized borrowing costs as capital expenditure in accordance with Section 34(b) of the NIRC; hence, there are no deferred taxes related to the transaction.

The Company opted to claim itemized deductions in computing its income tax due for the years ended December 31, 2024, 2023 and 2022.

25. RELATED PARTY TRANSACTIONS

The Company's related parties include its ultimate parent or ABS, entities under common ownership, associates, joint venture, shareholders, the Company's key management personnel, and others.

A summary of the Company's transactions and outstanding balances with its related parties is presented below.

(Amounts in PHP)	Note	Amount of Transaction			Outstanding Balance	
		2024	2023	2022	2024	2023
Ultimate Parent Company						
Sale of real estate	25.4	854,062,500	4,638,528	5,902,841	837,666,834	685,584
Entities under Common Ownership						
Net advances (collections)	25.1	13,818,286	2,603,003	2,858,969	53,959,656	40,141,370
Subsidiaries						
Advances to (collections)	25.1	(45,693,421)	787,326,615	450,691,824	610,275,679	655,969,100
Purchase of property	25.3	1,309,086	-	112,631,089	1,478,338	169,252
Accommodation payment	25.2	5,183,955	-	1,872,522	66,018,130	60,834,175
Associates						
Advances to (collections)	25.1	(2,389,437)	1,734,807	632,726	10,693	2,400,130
Key Management Personnel						
Sale of real estate	25.5	-	-	4,870,084	-	-
Compensation	25.6	128,936,641	209,130,536	150,137,277	-	-

Based on management's assessment, no impairment loss is required to be provided on the Company's receivables from related parties as at December 31, 2024 and 2023. The cash advances to and from related parties are noninterest-bearing, unsecured, due on demand and are expected to be settled in cash or offsetting of accounts within one year from end of the reporting period. In respect of contract receivables, it is fully secured by the units purchased, expected to be settled in cash and due based on the contract terms.

Details of the foregoing transactions are discussed on the succeeding page.

25.1 Due from Related Parties

The Company grants cash advances to shareholders, entities under common ownership, subsidiary, associates, and joint ventures. An analysis of such advances in 2024 and 2023 is presented as follows:

<i>(Amounts in PHP)</i>	Entities Under Common Ownership	Subsidiaries	Associates	Total
Balance at January 1, 2024	40,141,370	655,969,100	2,400,130	698,510,600
Advances	31,612,009	837,032,314	36,009,701	904,654,024
Collections	(17,793,722)	(882,725,735)	(38,399,138)	(938,918,595)
Balance at December 31, 2024	53,959,657	610,275,679	10,693	664,246,029
Balance at January 1, 2023	37,538,367	1,443,295,715	665,323	1,481,499,405
Advances	6,696,668	191,978,479	2,328,000	201,003,147
Collections	(4,093,665)	(979,305,094)	(593,193)	(983,991,952)
Balance at December 31, 2023	40,141,370	655,969,100	2,400,130	698,510,600

The outstanding balances from these transactions, which are payable on demand, unsecured and interest bearing, are presented as Due from related parties in the statements of financial position. The interest income from these advances is presented as part of Finance Income (see Note 21).

25.2 Advances from Related Parties

In 2017, the Company assumed the development of Astra Center Project and acknowledged its obligation to ASF amounting to P59,610,753 for the development cost it incurred. The outstanding balance of the Company's payable to related parties as at December 31, 2024 and 2023, respectively and is presented as Due to related parties under of Trade and other payables in the statements of financial position (see Note 16).

25.3 Purchases of Condominium Units

The Company purchased condominium units that are still under construction from YHEST, GGTT and BL Ventures in 2024. Contract prices of the purchased units from YHEST, GGTT and BL Ventures amounted to P43,709,396, P31,208,933 and P12,776,495, respectively.

In 2024, payments to YHEST, GGTT and BL Ventures for such purchases amounted to P781,429, P255,357 and P272,300, respectively.

The outstanding balance of the deposit for purchased properties from YHEST, GGTT and BL Ventures amounted to P1,478,338 and P169,252 as at December 31, 2024 and 2023, respectively, which is presented, net of input VAT, as Deposits for purchased properties under Other non-current assets in the statements of financial position (see Note 13).

25.4 Sale of Real Estate to Ultimate Parent Company

In 2024, the Company sold the Manresa lot to ABS amounting to P854,062,500 with a cost amounting to P470,900,926, resulting to a gross profit of P383,161,574. The outstanding balance, amounting to P837,666,834, is noninterest-bearing and due on demand related to this transaction and presented as part of Contract receivables under the Receivables account in the statements of financial position (see Note 5).

In 2023 and 2022, the Company sold condominium units to ABS. The outstanding balance related to these transactions are noninterest-bearing and due on demand, and is presented as part of Contract Receivables under the Receivables account in the statements of financial position (see Note 5). There was no similar transaction in 2024.

In 2023, the Company cancelled the sale of a single floor at Baseline HQ made to ABS in December 2017.

25.5 Sale of Real Estate to Key Management Personnel

In 2022, the Company sold condominium units totaling P4,870,084, respectively, to key management personnel. There is no outstanding balance related to these transactions as at December 31, 2024. These are presented as part of Contract receivables under the Receivables account in the statements of financial position (see Note 5).

25.6 Key Management Personnel Compensation

The composition of key management personnel compensation for the years ended December 31, 2024, 2023 and 2022 are shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Short-term benefits	101,282,775	159,664,014	142,201,016
Post-employment benefits	26,284,203	47,350,536	4,930,421
Share options	1,369,663	2,115,986	3,005,840
	<u>128,936,641</u>	<u>209,130,536</u>	<u>150,137,277</u>

25.7 Retirement Fund

The Company's retirement fund for its defined post-employment plan is administered and managed by a trustee bank. The fair value of plan assets in 2024 and 2023 consists of the contributions to the plan and interest earned (see Note 23.3). The plan assets do not comprise investment in any of the Company's own financial instruments or any of its assets occupied and/or used in its operations.

26. EQUITY

26.1 Capital Stock

Details of the Company's authorized capital stock as at December 31, 2024 and 2023 are as follows:

<i>(Amounts in PHP)</i>	<u>Shares</u>		<u>Amount</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Preferred shares				
Authorized				
Series A-1 (CLIA1) – P1.00 par value	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Series A-2 (CLIA2) – P0.10 par value	1,000,000,000	1,000,000,000	100,000,000	100,000,000
Total	<u>2,000,000,000</u>	<u>2,000,000,000</u>	<u>1,100,000,000</u>	<u>1,100,000,000</u>
Issued and outstanding				
Issuance during the period:				
Preferred shares - Series A-1 (CLIA1)	2,063,360	-	2,063,360	-
Preferred shares - Series A-2 (CLIA2)	2,216,980	-	2,216,980	-
Balance at end of year	<u>4,280,340</u>	<u>-</u>	<u>4,280,340</u>	<u>-</u>

(Amounts in PHP)	Shares		Amount	
	2024	2023	2024	2023
Common shares – P1.00 par value				
Authorized	<u>9,000,000,000</u>	<u>9,000,000,000</u>	<u>9,000,000,000</u>	<u>9,000,000,000</u>
Issued:				
Balance at beginning and end of year	3,623,451,997	3,623,451,997	3,623,451,997	3,623,451,997
Treasury shares	<u>(158,250,530)</u>	<u>(158,250,530)</u>	<u>(732,664,604)</u>	<u>(732,664,604)</u>
Issued and outstanding	<u>3,465,201,467</u>	<u>3,465,201,467</u>	<u>2,890,787,393</u>	<u>2,890,787,393</u>

On April 25, 2023, the BOD approved the amendment of the Articles of Incorporation (AOI) of CLI to reallocate the authorized capital stock of P10,100,000,000 to be divided as follows:

9,000,000,000 common shares with a par value of P1 per share;
1,000,000,000 Series A preferred shares with a par value of P1 per share; and,
1,000,000,000 Series B preferred shares with a par value of P0.10 per share.

The amendment to the AOI was later approved by the stockholders on June 1, 2023. On October 18, 2023, the SEC officially accepted CLI's application for the amendment of its AOI, which was later approved on December 29, 2023.

On April 12, 2024, CLI issued and listed perpetual, cumulative, non-voting, non-participating, non-convertible and redeemable Philippine Peso denominated Series "A" Preferred Shares categorized and offered in two subseries (Series A-1 and Series A-2) on the main board of the PSE. Issue price for Series A-1 and A-2 is at P1,000. The additional paid-in capital resulting in the issuance amounted to P4,276,059,660 (see Note 27.2). The initial dividend rate of the shares shall be as follows: (a) in respect of the Series A-1 Preferred Shares, at fixed rate of 7.59% per annum of the Offer price, and (b) for the Series A-2 Preferred Shares, at the fixed rate of 8.25% per annum of the offer price. The BOD has full discretion over the declaration and payment of dividends, subject to conditions and to the extent allowed by law. There was no issued preferred shares as at December 31, 2023.

The share price of the Company's common stock closed at P2.65 per share on December 27, 2024 and P2.47 per share on December 29, 2023, the last trading day in the PSE for 2024 and 2023 respectively.

The common stock of the Company that is held under nominee accounts totaled 1,289,888,375 shares and 1,285,302,905 shares as of December 31, 2024 and 2023, respectively. This represented 35% of the Company's outstanding shares as of December 31, 2024 and 2023, respectively.

The Company has no other listed equity securities as at December 31, 2024 and 2023.

26.2 Additional Paid-in Capital

On June 2, 2017, the Company made an initial public offering of 430,000,000 unissued common shares at an offer price of P5 per share, which is equivalent to P2,150,000,000. Accordingly, the Company recognized additional paid-in capital of P1,608,917,974 in the statements of financial position after deducting the related share issuance costs of P111,082,026.

On April 12, 2024, the Company issued perpetual, cumulative, non-voting, non-participating, non-convertible and redeemable Philippine Peso denominated Series “A” Preferred Shares categorized and offered in two subseries (Series A-1 and Series A-2). Issue price for Series A-1 and A-2 is at P1,000. The additional paid-in capital resulting in the issuance amounted to P4,247,007,247 in the statements of financial position after deducting the related share issuance costs of P29,052,413.

26.3 Treasury Shares

On February 27, 2018, the BOD of the Company approved a P250,000,000 budget for a share buy-back program and employee stock option plan. On March 2022, qualified employees started exercising their stock options (see Note 26.1).

On March 27, 2020, the BOD of the Company approved an additional P500,000,000 stock buy-back program for its valuation plans over the next two years.

In relation to this program, the Company reacquired 2,599,600 shares and 104,180,400 shares of its common stock in 2021 and 2020, respectively, for P15,320,885 and P485,657,205, respectively, and presented them as Treasury Stock in the statement of financial position. No additional shares were reacquired in 2022.

In 2022, the Company has reissued 3,349,470 shares of treasury shares, respectively, as a result of exercise of the same number of stock options (see Note 26.4).

As of December 31, 2024 and 2023, the Company has a total of 158,250,530 treasury shares amounting to P732,664,604.

The common stock of the Company that is held under nominee accounts totaled 1,289,888,375 shares and 1,285,302,905 shares as at December 31, 2024 and 2023, respectively. This represents 36% and 35% of the Company’s outstanding shares as at December 31, 2024 and 2023, respectively.

26.4 Employee Share Option

On October 6, 2021, the BOD of the Company approved the Executive Stock Option Plan (ESOP) for its qualified officers. The ESOP grants options to purchase the shares of the Company at a price of P2.25 or current market price with a 15% discount, whichever is higher. Shares bought under the ESOP cannot be sold, assigned, or transferred in any manner for at least six months from the exercise date. Voting and dividend rights vest upon the issuance of the shares to the employees.

Pursuant to this ESOP, on January 5, 2022, the Company granted share options to qualified officers to subscribe to 31,016,200 common shares of the Company, with the following vesting period.

- The 1st 25% of the options granted can be exercised immediately upon the year of grant;
- The 2nd 25% of the options granted can be exercised one year after the options were granted;
- The 3rd 25% of the options granted can be exercised two years after the options were granted; and,
- The last 25% of the options granted can be exercised three years after the options were granted.

A total 3,349,470 share options at a price of P2.40 were exercised in 2022, respectively, using the Company treasury shares (see Note 26.3).

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP. The following principal assumptions were used in the valuation:

Average option life	2.5 years
Average share price at grant date	P2.86
Average exercise price at grant date	P2.43
Average fair value at grant date	P0.15
Average standard deviation of share price returns	20.17%
Average dividend yield	14.95%
Average risk-free investment rate	2.59%

The underlying expected volatility was determined by reference to historical prices of the Company's shares over a period of five years.

Share option benefits expense, which is included as part of Salaries and employee benefits under the Operating Expenses account, amounting to P1,369,663, P2,115,986 and P3,005,840 was recognized in 2024, 2023 and 2022, respectively (see Note 23.1), while the corresponding credit to Share Options Outstanding account is presented as under the Equity section of the statements of financial position.

26.5 Revaluation Reserves

The components and reconciliation of items of other comprehensive income (loss) presented in the statements of changes in equity at their aggregate amount under the Revaluation Reserves account are shown below.

<i>(Amounts in PHP)</i>	Notes	2024	2023	2022
Balance at beginning of year		(18,288,224)	(13,910,501)	(13,477,472)
Other comprehensive loss:				
Loss on remeasurement of post-employment defined benefit obligation	23.3	(21,868,779)	(5,836,965)	(577,372)
Tax income	24	5,467,195	1,459,242	144,343
		<u>(16,401,584)</u>	<u>(4,377,723)</u>	<u>(433,029)</u>
Balance at end of year		<u>(34,689,808)</u>	<u>(18,288,224)</u>	<u>(13,910,501)</u>

26.6 Retained Earnings

(a) Cash Dividends

Date of Declaration	Record Date	Payment Date	Total Cash Dividends	Dividend Per Share
<i>(Amounts in PHP)</i>				
<u>2024</u>				
Common shares:				
March 18, 2024	April 17, 2024	May 3, 2024	519,780,220	0.15
March 18, 2024	April 17, 2024	May 3, 2024	103,956,045	0.03
			<u>623,736,265</u>	
Preferred shares (CLIA1):				
June 14, 2024	July 2, 2024	July 12, 2024	39,126,462	18.96
June 14, 2024	October 2, 2024	October 12, 2024	39,126,462	18.96
November 21, 2024	January 2, 2025	January 12, 2025	39,126,462	18.96
November 21, 2024	April 2, 2025	April 12, 2025	39,126,462	18.96
November 21, 2024	July 2, 2025	July 12, 2025	39,126,462	18.96
November 21, 2024	October 2, 2025	October 12, 2025	39,126,462	18.96
			<u>234,758,772</u>	
Preferred shares (CLIA2):				
June 14, 2024	July 2, 2024	July 12, 2024	45,725,213	20.63
June 14, 2024	October 2, 2024	October 12, 2024	45,725,213	20.63
November 21, 2024	January 2, 2025	January 12, 2025	45,725,213	20.63
November 21, 2024	April 2, 2025	April 12, 2025	45,725,213	20.63
November 21, 2024	July 2, 2025	July 12, 2025	45,725,213	20.63
November 21, 2024	October 2, 2025	October 12, 2025	45,725,213	20.63
			<u>274,351,278</u>	
			<u>1,132,846,315</u>	
<u>2023</u>				
Common shares:				
March 20, 2023	April 18, 2023	April 28, 2023	519,780,220	0.15
March 20, 2023	April 18, 2023	April 28, 2023	103,956,044	0.03
			<u>623,736,264</u>	
<u>2022</u>				
Common shares –				
March 15, 2022	April 22, 2022	May 17, 2022	519,780,221	0.15

Dividends payable amounting to P339,406,706 is presented as Dividends payable under Trade and Other Payables in the 2024 statement of financial position.

(b) Appropriated Retained Earnings Releases

On November 23, 2023 and December 6, 2022, the Company's BOD approved the appropriation of P6,324,658,043 and P3,931,475,893, respectively, from its retained earnings for the construction of various real estate projects. There was no additional appropriations for 2024.

In 2024, 2023 and 2022, the Company reversed certain appropriations made in previous years amounting to P3,691,083,698, P3,341,330,930 and P172,049,912, respectively, to unrestricted retained earnings after partial fulfillment of its intended purpose.

A portion of the Company's retained earnings, equivalent of the cost of treasury shares is legally restricted in accordance with Section 40 of the Revised Corporation Code.

27. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Company:

27.1 Operating Lease Commitments – Company as Lessor

The Company is a lessor under several operating leases covering investment properties (see Note 12). The leases have terms ranging from one to five years, with renewal options, and include annual escalation from 3% to 10%. The future minimum lease receivables under these agreements are presented below.

<i>(Amounts in PHP)</i>	2024	2023	2022
Within one year	106,478,509	54,456,693	54,686,546
Within one to two years	68,368,953	39,968,650	40,327,275
Within two to three years	4,881,740	25,341,618	32,781,403
Within three to four years	4,766,426	19,829,151	22,147,218
Within four to five years	278,900,304	40,696,055	16,452,302
More than five years	214,362,715	78,907,709	92,651,746
	677,758,647	259,199,876	259,046,490

Rental income is shown in Notes 12 and 17.1. None of the rental income in 2024, 2023 and 2022 are relating to variable lease payments. Outstanding rent receivables as at December 31, 2024 and 2023 and are shown as Rent receivable under the Receivables account in the statements of financial position (see Note 5).

27.2 Operating Lease Commitments – Company as Lessee

The Company entered into several short-term cancellable leases for its billboards, warehouse and staff house. Rent expense incurred from the short-term cancellable leases are shown as Rent under Operating Expenses in the statements of profit or loss (see Note 19).

As at December 31, 2024 and 2023, the expected future rentals is expected to be more or less the same with the annual rent expense recognized because of the terms of the leases, which are less than 12 months.

27.3 Completion of Sold Units

The Company is obligated to finish the sold units that are at a certain stage of completion at the time of sale. The Company recognized a contract liability, which amounts to P120,537,515 and P164,891,955 as at December 31, 2024 and 2023, respectively, when it collects more than it is entitled to based on the stage of completion of the project development (see Note 17.2).

27.4 Purchase of Land

In 2024, the Company had agreed in principle with multiple sellers of real estate properties in various locations in Visayas and Mindanao for the acquisition of parcels of land amounting to P541,568,201 under raw land inventory (see Note 8). In 2022, the Company had agreed in principle with multiple sellers of real estate properties in various locations in Visayas and Mindanao for the acquisition of parcels of land for about P121,996,729. There were no such commitments as at December 31, 2023.

27.5 Capital Commitments

As at December 31, 2024 and 2023, the Company has capital commitments of about P6,159,277,128 and P4,100,931,220, respectively, for the construction of condominium and subdivision projects.

27.6 Others

There are other commitments and contingent liabilities that arise in the normal course of the Company's operations that are not reflected in the financial statements because the possible outflow of economic resource as a result of present obligations is considered improbable or remote or the amount to be provided cannot be measured reliably. As at December 31, 2024 and 2023, management is of the opinion that losses, if any, from these items will not have a material effect on the Company's financial statements.

28. EVENTS AFTER THE REPORTING PERIOD

28.1 Public Offering of Sustainability-linked Bonds

On November 21, 2024, the BOD authorized the public offer, sale and issuance of CLI's Sustainability-Linked Bonds (SLB) comprising of Philippine Peso-denominated "Series D Bonds" due 2028 and "Series E Bonds" due 2030, with a base offer of up to P3,000,000,000 and an oversubscription option of up to P2,000,000,000. The notice was provided to the PSE and the SEC on December 20, 2024 and the Company listed its SLB at the PDEx on March 21, 2025.

From and including the first day of the Interest Period immediately following the Interest Period within which a Target Measurement Date falls (each an "Interest Step-Up Date"), the Applicable Interest Rate for each series shall be equal to the Original Interest Rate plus 0.075% for each occurrence of a Trigger Event. There is a Trigger Event when an SPT is not met on the applicable Target Observation Date as determined in the verification assurance report of the relevant External Verification Provider.

The "Sustainability Performance Target" or "SPT" shall be as follows:

- Short Term SPT: Build 8,500 new Affordable Housing units by February 2027
- Medium Term SPT: Build 16,000 new Affordable Housing units by February 2029

28.2 Incorporation of CLI Luzon Ventures, Inc.

On March 18, 2025, the SEC duly approved the registration of CLI Luzon Ventures, Inc., a wholly-owned subsidiary of Cebu Landmasters, Inc., presently engaged with real estate development, sales, leasing, and property management, with a real estate portfolio that includes condominiums and subdivisions for residences, mixed-use properties, townships, hotels and resorts, offices, and co-living spaces.

28.3 Declaration of Cash Dividends on Common Shares

On March 17, 2025, the BOD approved the declaration of regular cash dividends amounting to P0.15 per share and special cash dividends amounting to P0.03 per share with record date on April 11, 2025 which will be paid on April 16, 2025.

29. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to certain financial risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 30. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most relevant financial risks to which the Company is exposed to are described as follows.

29.1 Market Risk

The Company is exposed to market risk through its use of financial instruments and specifically to foreign currency risk and interest rate risk which result from its operating, investing and financing activities.

The Company has no significant foreign currency exposure risks as most of its transactions are carried out in Philippine pesos, its functional currency.

The Company has no significant interest rate risk exposure as most of its interest-bearing financial assets and liabilities bear fixed interest rates.

29.2 Credit Risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligation. To manage credit risk, the Company maintains credit policies and monitors its exposure to credit risk on a continuous basis.

Receivables balances are being monitored on a regular basis to ensure timely execution of necessary collection intervention efforts. In addition, the credit risk for trade receivables is mitigated as the Company transfers the corresponding title of the subdivision lots, house and lot units, condominium units and parking spaces only upon full payment of the contract price.

(a) *Maximum Exposure to Credit Risk*

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets (including contract assets), as summarized below.

<i>(Amounts in PHP)</i>	Notes	2024	2023
Cash and cash equivalents	4	667,937,940	441,670,591
Receivables*	5	2,847,593,246	1,585,663,422
Contract assets	17.2	34,200,985,217	32,717,768,497
Due from related parties	25.1	664,246,029	698,510,600
Short-term investments	8	285,678,275	184,532,637
Refundable deposits	13	142,915,985	135,422,187
		38,809,356,692	35,763,567,934

* *Receivables excludes advances to officers and employees.*

The estimated fair value of collateral and other security enhancements held against contract receivables and contract assets are presented below.

<i>(Amounts in PHP)</i>	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure
2024			
Contract receivables	2,233,994,807	4,734,336,649	-
Contract assets	34,200,985,217	60,875,505,741	-
	36,434,980,024	65,609,842,390	-
2023			
Contract receivables	1,170,190,633	3,223,074,939	-
Contract assets	32,717,768,497	57,481,534,007	-
	33,887,959,130	60,704,608,946	-

(b) *Credit Risk Concentration*

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

An analysis of concentration of credit risk by location of the Company's receivables and contract assets, net of allowance for impairment, is shown below.

<i>(Amounts in PHP)</i>	2024	2023
Cebu	16,675,744,888	17,197,995,172
Mindanao	9,553,733,389	6,863,176,661
Rest of Visayas	8,125,719,295	9,350,666,894
Luzon	2,079,782,452	476,120,403
	36,434,980,024	33,887,959,130

(c) *Credit Quality*

The Company classifies cash in banks as high grade as these are deposited with reputable banks.

Refundable deposits are considered to be unrated and are neither past due nor impaired. For trade receivables, standard grade pertains to receivables with no default in payments and are effectively collateralized by the real estate inventories which can be subject to repossession upon non-payment of customers after reasonable collection effort has been exerted by the Company.

<i>(Amounts in PHP)</i>	2024					
	Neither past due not impaired			Past due but not impaired	Individually	Total
	High grade	Standard grade	Unrated			
Cash	667,937,940	-	-	-	-	667,937,940
Receivables						
Contract	-	2,233,994,807	-	-	-	2,233,994,807
Others	-	-	613,598,439	-	-	613,598,439
Contract assets	-	34,200,985,217	-	-	-	34,200,985,217
Due from related parties	-	-	664,246,029	-	-	664,246,029
Short-term investments	285,678,275	-	-	-	-	285,678,275
Refundable deposits	-	-	142,915,985	-	-	142,915,985
	953,616,215	36,434,980,024	1,420,760,453	-	-	38,809,356,692
2023						
	Neither past due not impaired			Past due but not impaired	Individually	Total
	High grade	Standard grade	Unrated			
Cash	441,670,591	-	-	-	-	441,670,591
Receivables						
Contract	-	1,170,190,633	-	-	-	1,170,190,633
Others	-	-	415,472,789	-	-	415,472,789
Contract assets	-	32,717,768,497	-	-	-	32,717,768,497
Due from related parties	-	-	698,510,600	-	-	698,510,600
Short-term investments	184,532,637	-	-	-	-	184,532,637
Refundable deposits	-	-	135,422,187	-	-	135,422,187
	626,203,228	33,887,959,130	1,249,405,576	-	-	35,763,567,934

29.3 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored on a week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly. Management maintains enough cash to meet the Company's liquidity. Excess cash are invested in short-term placements

As at December 31, 2024 and 2023, the Company's financial liabilities have contractual maturities which are presented below.

(Amounts in PHP)	Current		Non-current	
	Within Six Months	Six to 12 Months	One to Five Years	More than Five Years
December 31, 2024				
Interest-bearing loans and borrowings	8,796,785,453	5,122,434,303	24,576,904,076	4,990,121,122
Bonds payable	168,742,525	168,742,525	5,597,779,622	-
Trade and other payables*	6,678,769,232	6,168,750,044	518,315,036	-
	15,644,297,210	11,459,926,872	30,692,998,734	4,990,121,122
December 31, 2023				
Interest-bearing loans and borrowings	8,308,626,703	4,139,813,400	24,318,315,445	5,499,406,048
Bonds payable	168,742,525	168,742,525	4,872,277,006	1,062,987,665
Trade and other payables*	7,814,941,195	6,304,301,164	169,250,020	-
	16,292,310,423	10,612,857,089	29,359,842,471	6,562,393,713

* Trade and other payables exclude output VAT, government-related obligations and advance rental.

The foregoing contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting periods.

30. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AND FAIR VALUE MEASUREMENTS AND DISCLOSURES

30.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position are presented as follows:

(Amounts in PHP)	Notes	2024		2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Financial assets at amortized cost:					
Cash and cash equivalents	4	667,937,940	667,937,940	441,670,591	441,670,591
Receivables - net ¹	5	2,847,593,246	2,847,593,246	1,585,663,422	1,585,663,422
Due from related parties	25.1	664,246,029	664,246,029	698,510,600	698,510,600
Short-term investments	8	285,678,275	285,678,275	184,532,637	184,532,637
Refundable deposits	13	142,915,985	142,915,985	135,422,187	135,422,187
		4,608,371,475	4,608,371,475	3,045,799,437	3,045,799,437
Financial Liabilities					
Financial liabilities at amortized cost:					
Interest-bearing loans and borrowing	14	37,402,658,415	38,493,096,197	35,957,686,742	36,717,195,523
Bonds payable	15	4,964,768,926	5,102,082,489	4,947,822,521	5,154,973,779
Trade and other payables ²	16	13,365,834,318	13,365,834,318	14,288,492,378	14,288,492,378
		55,733,261,659	56,961,013,004	55,194,001,641	56,160,661,680

¹ Receivables - net excludes advances to subcontractors and advances to officers and employees.

² Trade and other payables excludes output VAT, government-related obligations and advance rental.

See Note 2.4 for a description of the accounting policies for each category of financial instrument. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 29.

30.2 Fair Value Measurements and Disclosures

The following financial assets with net amounts presented in the statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

(Amounts in PHP)	Gross amounts recognized in the statements of financial position		Net amount presented in the statements of financial position	Related amounts not set-off in the statements of financial position		
	Financial liabilities	Financial liabilities set-off		Financial instrument	Cash collateral received	Net amount
December 31, 2024						
Cash and cash equivalents	667,937,940	-	667,937,940	664,212,350	-	3,725,590
Short-term investments	285,678,275	-	285,678,275	285,678,275	-	-
Total	953,616,215	-	953,616,215	949,890,625	-	3,725,590
December 31, 2023						
Cash and cash equivalents	441,670,591	-	441,670,591	393,361,510	-	48,309,081
Short-term investments	184,532,637	-	184,532,637	184,532,637	-	-
Total	626,203,228	-	626,203,228	577,894,147	-	48,309,081

The following financial liabilities with net amounts presented in the statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Gross amounts recognized in the statements of financial position		Net amount presented in the statements of financial position	Related amounts not set-off in the statements of financial position		
	Financial assets	Financial assets set-off		Financial instrument	Cash collateral received	Net amount
December 31, 2024						
Interest-bearing loans	37,402,658,415	-	37,402,658,415	949,890,625	-	36,452,767,790
December 31, 2023						
Interest-bearing loans	35,957,686,744	-	35,957,686,744	577,894,147	-	36,535,580,889

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the Company and counterparties (i.e., related parties and contractors) allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

30.3 Fair Value Measurements and Disclosures

(a) Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- (b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- (c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties or is calculated based on the expected cash flows of the underlying net asset base of the instrument. When the Company uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

(b) *Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed*

The table below summarizes the fair value hierarchy of the Company's financial assets and financial liabilities, which are not measured at fair value in the 2024 and 2023 statements of financial position, but for which fair value is disclosed (see Note 30.1).

<i>(Amounts in PHP)</i>	Level 1	Level 2	Level 3	Total
2024				
<i>Financial assets</i>				
Cash and cash equivalents	667,937,940	-	-	667,937,940
Receivables - net	-	-	2,847,593,246	2,847,593,246
Due from related parties	-	-	664,246,029	664,246,029
Short-term investments	285,678,275	-	-	285,678,275
Refundable deposits	-	-	142,915,985	142,915,985
	953,616,215	-	3,654,755,260	4,608,371,475
<i>Financial liabilities</i>				
Interest-bearing loans	-	-	38,493,096,197	38,493,096,197
Bonds payable	-	-	5,102,082,489	5,102,082,489
Trade and other payables	-	-	13,365,834,318	13,365,834,318
	-	-	56,961,013,004	56,961,013,004

<i>(Amounts in PHP)</i>	Level 1	Level 2	Level 3	Total
2023				
<i>Financial assets</i>				
Cash and cash equivalents	441,670,591	-	-	441,670,591
Receivables - net	-	-	1,585,663,422	1,585,663,422
Due from related parties	-	-	698,510,600	698,510,600
Short-term investments	184,532,637	-	-	184,532,637
Refundable deposits	-	-	135,422,187	135,422,187
	<u>626,203,228</u>	<u>-</u>	<u>2,419,596,209</u>	<u>3,045,799,437</u>
<i>Financial liabilities</i>				
Interest-bearing loans	-	-	36,717,195,523	36,717,195,523
Bonds payable	-	-	5,154,973,779	5,154,973,779
Trade and other payables	-	-	14,288,492,378	14,288,492,378
	<u>-</u>	<u>-</u>	<u>56,160,661,680</u>	<u>56,160,661,680</u>

For the Company's financial assets and financial liabilities, which are measured at amortized cost, management has determined that their carrying amounts are equal to or approximate their fair values because, except for interest-bearing loans, of their short-term nature.

(c) *Fair Value Measurement for Non-financial Assets*

The Company has no non-financial assets measured at fair value as at December 31, 2024 and 2023. However, the fair values of its investment properties are required to be disclosed, as shown in Note 12.

The table below shows the Levels within the hierarchy of non-financial assets (investment property), which are not carried at fair value but whose fair value are required to be disclosed on a recurring basis as at December 31, 2023 and 2022.

<i>(Amounts in PHP)</i>	Level 1	Level 2	Level 3	Total
December 31, 2024				
Investment properties	<u>-</u>	<u>-</u>	<u>11,515,966,121</u>	<u>11,515,966,121</u>
December 31, 2023				
Investment properties	<u>-</u>	<u>-</u>	<u>10,840,049,923</u>	<u>10,480,049,923</u>

In 2024 and 2023, the fair value of the Company's Investment Properties [see Note 3.2(d)] are determined on the basis of the appraisals performed by an independent external appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Company's management with respect to the determination of the inputs such as the size, age, and condition of the parcels of land and buildings, and the comparable prices in the corresponding property location.

The fair value of these parcels of land, condominium units, parking units and retail building were determined based on the following approaches:

(i) *Fair Value Measurement for Land, Condominium Units, Parking Units and Retail Buildings*

The Level 3 fair value of the parcels of land, condominium units, retail building and parking slots under Investment Properties account was determined using the market approach, adjusted for differences in key attributes such as properties size, zoning and accessibility.

Under the market approach, when comparable lease offerings of similar properties and sales prices of comparable land properties in close proximity are used in the valuation of the subject property with insignificant adjustment on the price, fair value is included in Level 2. Consequently, if the observable recent prices of the reference properties were adjusted significantly for differences in key attributes such as properties size, zoning, and accessibility, the fair value is included in Level 3. The most significant input into this valuation approach is the price per square foot; hence, the higher the price per square foot, the higher the fair value.

(ii) *Fair Value Measurement for Improvements under Retail Buildings*

The Level 3 fair value of building improvements presented as part of retail buildings under Investment Properties account was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence.

The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

There has been no change on the valuation techniques used by the Company, except as indicated above, during the period for its investment properties. Also, there were no transfers into or out of Level 2 fair value hierarchy for the years ended December 31, 2024 and 2023.

31. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position. Capital for the reporting periods under review is summarized as presented below.

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)
Total interest-bearing loans and borrowings and bonds payable	42,367,427,341	40,905,509,263
Total equity	20,504,875,848	14,459,188,415
Debt-to-equity ratio	2.07:1.00	2.83:1.00

The Company's goal in capital management is to limit a maximum interest-bearing debt to total equity structure ratio of 75:25 on a monthly basis (see Note 14). This is in line with the Company's compliance with requirement of the BOI and banks.

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Company has complied with its covenant obligations, including maintaining the required debt-to-equity ratio for both years ended December 31, 2024 and 2023.

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below and in the succeeding page is the reconciliation of the Company's liabilities arising from financing activities, which includes both cash and non-cash changes.

<i>(Amounts in PHP)</i>	Bank Loans (see Note 14)	Lease Liabilities (see Note 11)	Bonds Payable (see Note 15)	Total
Balance as of January 1, 2024	35,957,686,742	977,466,017	4,947,822,521	41,882,975,280
Cash flows from financing activities:				
Additional borrowings - net	13,789,278,958	-	-	13,789,278,958
Repayments	(12,444,183,494)	(41,160,078)	-	(12,485,343,572)
Non-cash financing activities:				
Amortization of debt issue cost	99,876,209	-	16,946,405	116,822,614
Interest amortization on lease obligation	-	68,238,917	-	68,238,917
Additional lease liabilities	-	5,176,040	-	5,176,040
Balance at December 31, 2024	37,402,658,415	1,009,720,896	4,964,768,926	43,377,148,237

<i>(Amounts in PHP)</i>	Bank Loans (see Note 14)	Lease Liabilities (see Note 11)	Bonds Payable (see Note 15)	Total
Balance as of January 1, 2023	29,453,443,408	948,091,184	4,930,582,631	35,332,117,223
Cash flows from financing activities:				
Additional borrowings - net	11,434,269,173	-	-	11,434,269,173
Repayments	(5,050,319,185)	(36,783,822)	-	(5,087,103,007)
Non-cash financing activities:				
Amortization of debt issue cost	120,293,346	-	17,239,890	137,533,236
Interest amortization on lease obligation	-	65,882,750	-	65,882,750
Additional lease liabilities	-	275,905	-	275,905
Balance at December 31, 2023	<u>35,957,686,742</u>	<u>977,466,017</u>	<u>4,947,822,521</u>	<u>41,882,975,280</u>
Balance as of January 1, 2022	26,910,209,391	834,573,823	-	27,744,783,214
Cash flows from financing activities:				
Additional borrowings - net	9,978,618,073	-	4,926,627,631	14,905,245,704
Repayments	(7,524,170,278)	(562,543)	-	(7,524,732,821)
Non-cash financing activities:				
Amortization of debt issue cost	88,786,222	-	3,955,000	92,741,222
Interest amortization on lease obligation	-	61,205,859	-	61,205,859
Additional lease liabilities	-	52,874,045	-	52,874,045
Balance at December 31, 2022	<u>29,453,443,408</u>	<u>948,091,184</u>	<u>4,930,582,631</u>	<u>35,332,117,223</u>

33. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

Presented below and in the succeeding pages is the supplementary information which is required by the BIR under its existing revenue regulations (RR) to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

(a) Output VAT

In 2024, the Company declared output VAT as follows relating to sale of real estate:

<i>(Amounts in PHP)</i>	Tax Base	Output VAT
Taxable sales	4,974,604,609	596,952,553
Exempt sales	4,055,834,253	-
Zero-rated services	<u>4,556,981</u>	<u>-</u>
	<u>9,034,995,843</u>	<u>596,952,553</u>

The Company's taxable real estate sales (at 12% and 0%) and VAT-exempt real estate sales were determined pursuant to Section 106, VAT on Sale of Goods or Properties and Section 109, *VAT-Exempt Transactions*, of the 1997 NIRC, as amended.

The tax base for the real estate sales is based on the provisions under the VAT regulations (installment plan or deferred payment basis); hence, may not be the same as the amounts reported in the 2024 profit or loss of the Company for financial reporting purposes.

(b) *Input VAT*

The movements in input VAT for the year ended December 31, 2024 are summarized below.

(Amounts in PHP)

Balance at beginning of year	534,917,800
Goods for resale/manufacture or further processing	183,893,057
Services lodged under cost of goods sold and other accounts	566,248,826
Capital goods subject to amortization	3,929,910
Capital goods not subject to amortization	2,308,113
Services rendered by non-residents	222,115
Allocable to exempt sales	(287,357,558)
Applied against output VAT	<u>(596,952,553)</u>
Balance at end of year	<u>406,987,595</u>

(c) *Taxes on Importation*

The Company have one importation transaction during 2024. The details are presented as follows:

(Amounts in PHP)

Dutiable value	19,122,969
Other charges	<u>111,310</u>
Total landed cost	19,234,279
VAT on importation rate	<u>12%</u>
Balance at end of year	<u>2,308,113</u>

(d) *Excise Tax*

The Company did not have any transactions in 2024, which are subject to excise tax.

(e) *Documentary Stamp Tax (DST)*

The details of the DST that was accrued and paid by the Company in 2024 are as follows:

(Amounts in PHP)

Loans/Bonds/Mortgage	117,443,694
Conveyance of properties	27,190,736
Rentals	<u>5,729,240</u>
	<u>150,363,670</u>

(f) *Taxes and Licenses*

Details of taxes and licenses in 2024 are as follows:

(Amounts in PHP)

DST	150,363,670
City treasurer's office	30,145,145
Real property tax	19,300,953
Land registration authority	13,102,882
Business taxes and permits	12,901,355
Registry of deeds	12,136,447
Real estate mortgage registration fees	10,342,643
Transfer taxes	9,803,627
Bureau of internal revenue	6,805,001
Bureau of fire protection	5,304,108
Securities and exchange commission	1,857,708
Others	14,613,857
	286,677,396

(g) *Withholding Taxes*

Details of total withholding taxes for the year ended December 31, 2024 are as follows:

(Amounts in PHP)

Expanded	279,158,909
Final	81,461,871
Compensation and employee benefits	815,520
	361,436,300

(h) *Deficiency Tax Assessments and Tax Cases*

In 2024, the Company paid deficiency taxes on income tax, value-added tax and withholding taxes amounting to P94,461,987 which included interest amounting to P28,417,950 for taxable year 2019. The net amount is presented as part of Others under Operating Expenses and the interest is presented as Deficiency taxes under Finance Costs in the 2024 statements of profit or loss.

As of December 31, 2024, the Company does not have any other final deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside the BIR in any of the open taxable years.



SEC 17-A Annex A: Sustainability Report

2024

Annex A: Sustainability Report

Contextual Information

Company Details	
Name of Organization	Cebu Landmasters, Inc.
Location of Headquarters	10th Floor Park Centrale, Jose Ma. Del Mar St., Cebu IT Park, Brgy. Apas, Cebu City
Location of Operations	The Company, with projects in varying stages of development, is currently present in 12 provinces, 18 cities, 6 municipalities, and 61 barangays in the Visayas and Mindanao Regions.
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	<u>Subsidiaries:</u> A.S. Fortuna Property Ventures, Inc. ("ASF") BL CBP Ventures, Inc. ("BL Ventures") CCLI Premier Hotels, Inc. ("CCLI") CLI Hotels and Resorts Inc. ("CHR") CL-LITE Panglao Inc. ("CLI-LITE") Cebu BL-Ramos Ventures, Inc. (CBLRV) Cebu Homegrown Developers, Inc. ("CHDI") Cebu Landmasters Property Management, Inc. ("CPM") CLI Premier Hotels Int'l. Inc. ("CPH") El Camino Developers Cebu, Inc. ("El Camino") GGTT Realty Corporation ("GGTT") Mivesa Garden Residences, Inc. ("MGR") Ming-mori Development Corporation ("MDC") Sugbo Prime Estate, Inc. ("SPE") YHES Premier Hotels Inc. ("YHESPH") YHEST Realty and Development Corporation ("YHEST") Yuson Excellence Soberano, Inc. ("YES") Yuson Huang Excellence Soberano, Inc. ("YHES") <u>Associates:</u> CLI NUD Ventures, Inc. ("CLI NUD") Icom Air Corporation ("ICOM") Iloilo Global City Corporation ("IGCC") MagsPeak Nature Park, Inc. ("MagsPeak")
Business Model, including Primary Activities, Brands, Products, and Services	Cebu Landmasters, Inc. (CLI) is the leading developer in Visayas and Mindanao (VisMin). The Company is mainly engaged in residential development both in vertical and horizontal projects located in key cities and urban areas in VisMin. Key brands include: Premier series (High-end), Garden Series (Mid-Market), Casa Mira (Economic) and Villa Casita (Socialized Housing). CLI is also currently building up its leasing portfolio through more ventures in office, retail, hotels and resort, townships and estate developments. Key activities include Land Acquisition, Business Development, Technical Planning, Construction, Marketing, Sales, Commercial Operations (Leasing) and Property Management
Reporting Period	January 1, 2024 to December 31, 2024

Highest Ranking Person
responsible for this report

Jose Franco B. Soberano
Chief Sustainability Officer / Chief Operations Officer

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.

CLI determined its list of material topics through a comprehensive process that integrated data assessments, management reviews, and stakeholder engagements conducted in previous years with its performance management system developed in 2023 and further enhanced in 2024. To begin its assessment, CLI aligned its sustainability strategy with its vision, mission, core values, strategy, and core competencies, making sure that its sustainability efforts are authentically rooted in its core business and corporate identity. CLI then accounted for all its tangible and intangible capitals that allow it to develop its products and provide services. The Company recognizes both its dependencies and impacts on these capitals, striving to minimize negative impacts to these capitals. The capitals are:

Natural

Environmental resources that the Company uses, and which all capitals draw from, including:

- Landbank - 107.27 hectares
- Energy - 68,332.18 GJ consumed
- Water - 6,255,094.65 cu.m consumed
- Materials (non-renewable):
 - Sand - 40,108.66 cu.m
 - Gravel - 294,929.86 cu.m
 - Cement - 111,120,777.10 kg
 - Rebars - 27,859,298.99 kg
 - Glass - 17,238.66 sq.m
 - Limestone - 7,808.00 cu.m
- Materials (renewable):
 - Lumber/Wood - 172,983,847.00 bd.ft

Intellectual

The Company's knowledge base, brand, reputation, track record, including:

- Local knowledge / market leadership in VisMin
- After-sales and property management support
- Digital customer experience
- Fast turnover of projects
- Award-winning design

Social/Relationship

The Company's relationships with its stakeholders, such as host communities, and external publics, including:

- 26 Joint Venture Partners

Manufactured

Man-made assets including its real estate products in various stages of development, including:

- 95 residential projects

• Network of 11,000 sellers and brokers • LGU/Community Partners in 12 provinces, 24 cities and municipalities, and 61 barangays	• 6 Offices • 10 Mixed-use • 3 Estates • 10 Hotels • 530 room keys completed • 1,198 room keys under construction • 40,575 sqm total Gross Leasable Area (GLA) completed • >70,000 sqm GLA under construction
Financial Funds used to build and provide services, including: • P13.83 billion worth of capital expenditures in 2024	Human CLI employees and their skills, competencies, and experiences, including: • 1,076 direct hires (17.72% increase from 2023) – including employees of subs and other direct hires • 9,614 indirect hires (outsourced personnel and contractors' workforce) (2.60% increase from 2023)

Exercises and assessments were conducted per department and with cross-functional teams, which provided significant inputs for the materiality process review. In addition, CLI identified its impacts based on the Company's key business activities in the value chain or end-to-end process and in the six capitals. Global megatrends were studied and localized against these impacts to further refine them. The Company also reviewed its risks by aligning the risk management process with the materiality process, providing a clearer picture of the most relevant topics to the Company.

CLI regularly engages its stakeholder groups via multi-channel approaches to identify and address their concerns and interests. Insights from stakeholder engagements served to inform CLI's ranking and prioritization of material topics in its materiality matrix, which maps out the importance of each sustainability topic to the Company against its importance to stakeholders. With this matrix, CLI focused on the topics that matter most to the Company and its stakeholders.

To integrate these material topics into its operations, CLI developed its performance measurement and management system in the form of corporate, departmental, and individual balanced scorecards. Featured in these scorecards are specific key performance indicators (KPIs) based on the identified material topics, allowing the Company to track its sustainability performance across organizational levels in line with its sustainability strategy. Hence, the scorecard reflects all aspects that matter most to CLI.

CLI's Material Topics 2024	
Economic • Economic Performance (Generation and Distribution) • Products for Low-Income Segment • Compliance to Regulatory Requirements / Permits and Licenses • Procurement Practices • Local Sourcing • Significant Indirect Economic Impacts / Jobs Created or Workforce Supported • Anti-Corruption	Social • Employee / Workforce Safety, Health, and Well-being • Customer Engagement, Experience, and Satisfaction • Customer Safety and Health • Customer Privacy and Data Security • Local Communities: Partnerships & Development Programs • Compliance to Labor Laws/Standards • Training and Organizational Development • Talent Attraction and Retention • Diversity and Equal Opportunity • Marketing and Labeling
Environmental • Land, Water, Energy, Materials • Climate-related Risks, Opportunities: Mitigation and Adaptation • Compliance to Environmental Laws • Environmental Impacts: Emissions, Solid Waste, Hazardous Waste, Effluents • Ecosystems and Biodiversity	Governance • Risk Management • Organizational Efficiencies / Alignment: Optimizing Business Processes • Digital/Technological Innovation • Governance and Ethics

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	19,525,343,389	PhP
Direct economic value distributed:		PhP
a. Operating costs	2,036,744,310	PhP
b. Employee wages and benefits	685,702,320	PhP
c. Payments to suppliers, other operating costs	6,089,204,293	PhP
d. Dividends given to stockholders and interest payments to loan providers	4,151,168,409	PhP
e. Taxes paid to government	1,695,493,806	PhP
f. Investments to community (e.g. donations, CSR)	43,156,782.98	PhP

Impacts

CLI's primary operations have positively impacted its employees, customers, host communities, and local economies. By developing well-planned, accessible, inclusive, and resilient spaces, CLI transforms the landscape and spurs economic activity in the area, including ancillary services, rental spaces, water refilling stations, and micro businesses. Increases in property values have also been observed, and CLI provides access to affordable housing by developing products for the low-to-medium income markets. Additionally, the company has created thousands of jobs in the project development cycle by sourcing talent, services, and materials locally.

CLI also recognizes the actual and potential negative impacts of its operations. For example, construction work consumes large amounts of non-renewable materials and relies on fossil fuels that emit greenhouse gases. CLI's developments may also impact local biodiversity as land-use changes and heightened activity levels affect the natural processes of flora and fauna. Greater economic activity may contribute to traffic congestion and noise. CLI is committed to social responsibility and due diligence by implementing programs and initiatives that minimize these negative impacts, while enhancing benefits for the Company and its stakeholders.

Management Approach and Metrics

CLI sustained its strong financial trajectory in 2024, achieving a 14% year-on-year growth in reservation sales, bringing total outstanding receivables from takeouts to over PHP 13.6 billion. CLI also expanded its market leadership in Visayas and Mindanao, securing a 19.3% market share, according to the Colliers Real Estate Market Study 2024.

To fuel its expansion in the Visayas-Mindanao market, CLI offered preferred shares to shareholders, diversifying funding sources and raising equity capital while reinforcing investor confidence. Additionally, the Company sealed its first international joint venture with NTT UD Asia (NTTUDA) for a PHP 6.4 billion development, the two-tower Japanese-inspired The Wave Towers in Cebu IT Park. In township ventures, CLI propelled the Davao Global Township (DGT) into full swing, with strategic partnerships leading to major lot sales and developments, including the launch of Seattle's Best Coffee's largest standalone branch in the Philippines. CLI also launched seven fast-selling projects in 2024, with a combined sales value of PHP 11.7 billion, achieving an impressive 90% sell-out rate. These projects contributed to local economies by creating thousands of direct and indirect jobs, boosting property values, and generating increased economic activity in surrounding communities.

CLI fosters good relationships with its investors through multiple channels, including real-time disclosures via the Philippine Stock Exchange (PSE) EDGE website, monthly updates through the "Maestro" newsletter, investor engagements, local and international non-deal roadshows, and company performance reports. By prioritizing transparency, strong economic performance, and timely dividend declarations, CLI builds trust with its shareholders, ensuring continued access to financial capital for future business development.

Climate-related risks and opportunities

Governance

The Sustainability Council, comprising Sustainability Champions from all departments/functions/units, discusses sustainability-related issues, risks, opportunities, and mitigation and adaptation strategies. The Enterprise Risk Management team maintains a regularly reviewed corporate risk register. Meanwhile, the Corporate Governance Committee and Risk Oversight Committee, chaired by independent directors, oversee sustainability-related risks or opportunities (SRROs), including climate-related risks or opportunities (CRROs), and advise the Company on SRRO-related targets based on industry standards and best practices. Moving forward, CLI will narrow its focus on the identification of specific SRROs and CRROs from all fronts, especially in the design, pre-development, construction, operations, and property management phases of the company's projects.

Strategy

CLI has identified the following climate-related risks and opportunities it faces over the short, medium and long term:

Risks	Impact on business, strategy, and financial planning
Damages and disruptions from Typhoons, heavy floods and other natural calamities (Physical)	• Property damage and high repair and maintenance costs • Cost of insurance, retrofitting, and/or installation of mitigating structures in damaged or vulnerable properties and construction sites • Unavailability of materials, supply chain interruptions, materials delivery disruption or transport challenges which delay project delivery • Lost revenue from diminished attractiveness of damaged or vulnerable properties • Decline in sales or postponed income streams due to reduced demand or shift spending to basic needs/essentials • Changes and improvements in the company's process in conducting risk assessments in project sites • Process enhancements and changes in resource applications for the conduct of physical safety training for projects in high-risk areas
Sea level rise / coastal flooding and increase in peak river flow (Physical)	
Limited supply of coal due to regulations (Transition)	• Increased operational costs due to higher water rates and disruptions and delays; may also pose financial risks due to delayed project completion • Effort and cost of finding alternative sources and suppliers • Lost revenue from diminished attractiveness of properties with unreliable supply of utilities
Water stress / limited supply of water due to changing climate and natural systems (Physical/Transition)	
Extreme heat / heatwaves (Physical)	• Increased operational costs due to disruptions and delays • Increased energy costs in managed properties for cooling
Regulation of carbon-intensive products and activities (Transition)	• Penalties and other disincentives against carbon emissions • Cost of shifting suppliers and other adjustments to comply with carbon regulations
Technological / Construction Risks (Transition)	• Increasing investments in R&D and technological innovations to comply with stringent building codes and additional reporting standards which mandate building and energy efficiency
Changing market preferences (Transition)	• As potential buyers become more aware of the impacts of climate change, they expect real estate products to be more eco-efficient (with renewable energy sources) and more resilient

Change in investor sentiment (Transition)	Investors may favor low-carbon real estate assets to align their portfolio to climate goals
Opportunities	Impact on business, strategy, and financial planning
Use of renewable energy sources	- Lower energy costs due to incentives associated with renewable energy and onsite solar facilities - Competitive advantage due to customer preference for more sustainable properties - Access to increased financial capital due to incentivization of green bonds
Development of energy efficient building designs	
Use of sustainable building materials to future-proof real estate assets	Ensure higher efficiency standards in construction to reduce future energy dependence during operations
Enhancement of internal business processes, organizational movements to mitigate risks	Ensure alignment in identifying and addressing ESG issues across the end-to-end process of the business

Risk Management

The Company's Board Risk Oversight Committee (ROC) advises the Board of Directors on high level risk-related matters, including climate-related risks. These climate-related risks have been identified by the Company using existing risk identification processes, as outlined in CLI's Enterprise Risk Management (ERM) framework. The effectiveness of existing risk mitigation strategies are evaluated regularly, while emerging risks are assessed by cross-functional teams at both the department and corporate levels. This includes input from Strategic Business Units (SBUs) which maintain their own risk registers, and Sustainability Champions.

The Risk Steering Committee meets regularly to ensure a multi-disciplinary assessment and holistic approach to corporate risks. This exercise allows the organization to break down silos and integrate information from different departments, units, and external stakeholders, leading to scenario planning for top risks. Additionally, emerging risks are discussed to determine which risks offer opportunities to grow the business and which threats should be mitigated. The CRO reports the output of these discussions to the executive committee to prioritize the risks, their treatment, and approve potential investments or expenses for mitigation. These results are then presented to the Board Risk Oversight Committee for further comments and inputs. Moving forward, CLI will further refine its process for identifying and assessing CRROs and further define the integration of climate-related risk management in its existing ERM framework. Additionally, CLI has a dedicated Corporate Finance Department overseeing projections and monitoring activities at both corporate and project levels. Through close collaboration with project teams, this department analyzes financial forecasts, evaluates investments, and ensures alignment with strategic objectives, driving sustainable growth and value creation through effective resource allocation and risk management.

Metrics and Targets

CLI is developing a list of metrics and targets to measure CRROs, as well as its performance in relation to these, to align with its sustainability strategy. Initial assessment and guidance can be based on the following metrics:

- Energy consumption and costs
- Water consumption
- Costs of mitigating or addressing property damage from physical climate risks, such as insurance (e.g. Contractors' All Risk Insurance) and repair costs
- Costs of mitigation and adaptation measures applied to projects with or adjacent to natural water features or those with inherent natural hazards
- Cost of addressing construction disruptions and delays, such as labor and raw materials supply costs
- Revenues across properties of varying climate vulnerability and sustainability features

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers:		
Visayas & Mindanao	79	%
Luzon	20	%
Foreign	1	%

Impacts

CLI demonstrates its commitment to national economic development by allocating a substantial portion of its procurement expenses to Filipino suppliers. This prioritization of local businesses not only fosters a robust supply chain within the Philippines but also stimulates economic growth, generates local employment opportunities, and enhances the overall competitiveness of Filipino enterprises. By actively supporting local suppliers, CLI plays a pivotal role in promoting sustainable development and self-reliance within the national economy. In addition, prioritizing local vendors, suppliers and contractors results in reduced environmental impact considering short transportation distances that significantly reduce emissions associated with shipping and logistics. Local procurement also improves efficiency with faster lead time and flexibility while strengthening relationships with suppliers within the Visayas and Mindanao regions.

Risks

Construction and project execution risks include contractors failing to meet deadlines or budgets, and not adhering to quality standards. Unforeseen site conditions, weather, labor and materials shortages, and equipment and machinery failures can also cause delays and increased costs. Mitigating these risks

requires proactive project planning, meticulous contractor evaluation and selection, effective contract management, and continuous project monitoring.

Management Approach

The Company's headquarters centralizes the procurement of goods and services. The Supply Chain Management Department handles the procurement of goods, while the Engineering Department is responsible for contracted services. CLI has a pre-qualification process for contractors and suppliers to ensure their legitimacy, performance capabilities, and compliance with the Company's standards, including code of conduct, workplace and facility standards, human rights, and environmental concerns.

Construction materials and services are obtained from third-party local and national suppliers through a pre-qualification and bidding process. These suppliers must meet the Company's stringent quality requirements. The Company selects suppliers based on their ability to deliver the best value, highest quality, and lowest cost, as well as their ability to provide safe and on-time delivery, adapt, and innovate to suit the Company's needs. The Company also maintains internal controls, organizational structure, and financial sustainability to ensure the supplier's continued delivery as contracted. In 2024, the company conducted a thorough process review of its supply chain management and procurement. The company developed a plan to create a materials inventory management system for owner-supplied materials per strategic business unit to achieve a more improved materials efficiency. CLI conducted policy and procedure review on contractor/supplier/vendor due diligence and pre-qualification for bidding for implementation in the following year.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100%	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100%	%
Percentage of directors and management that have received anti-corruption training	100%	%
Percentage of employees that have received anti-corruption training	100%	%

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

Impacts

Anti-corruption practices foster a just and equitable business environment for CLI, enabling fair distribution of generated economic value. Maintaining stringent anti-corruption standards for suppliers and business partners, alongside consistent workplace advocacy, cultivates a culture of integrity that extends to the broader industry and community.

Management Approach

The Company's Code of Business Conduct and Ethical Standards, which includes the anti-graft and corruption policy called the Pledge of Integrity, is available on the Company website. All employees are taught about the Code during onboarding and receive regular reminders and updates. The Human Resources department, departmental heads, supervisors, and Corporate Governance Committee oversee the Code's compliance, while board members and management receive refresher courses in anti-corruption and code of conduct.

The Company follows SEC recommendations for corporate governance, including maintaining the independence of directors, prohibiting directors with material interests in a transaction from participating, and implementing a whistleblowing policy that allows for anonymous reporting and protects whistleblowers from retaliation. These measures promote business ethics, reduce risks, and mitigate corruption-related issues.

CLI is committed to transparency and disclosure of any corruption incidents. In 2024, there were no corruption incidents within the Company, nor has CLI participated in any cases or legal proceedings involving anti-competitive behavior, anti-trust, or monopoly legislation violations.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (gasoline)	8,930.23	GJ
Energy consumption (diesel)	59,401.95	GJ
Energy consumption (electricity) - excluding leased areas	13,407,147.30	kWh
Energy consumption (renewable sources) - solar panels	10,675.00	kWh

Reduction of energy consumption

Disclosure	Quantity	Units	% Reduction from 2023
Energy reduction (gasoline)	no data	GJ	No reduction
Energy reduction (diesel)	no data	GJ	No reduction
Energy reduction (electricity)*	no data	kWh	No reduction

* Purchased electricity (excluding leased areas) for 2024 increased by 46,552.46, or 58.63%.

Impacts

CLI's operations support local suppliers like Visayan Electric Company (VECO) and Davao Light and Power Company (DLPC) through the purchase of fuel and electricity. However, the reliance on non-renewable fossil fuels for energy generation leads to greenhouse gas emissions, contributing to both air pollution and climate change.

Risks

The company's operations may be disrupted by potential disruptions in electricity supply, particularly in the Visayas and Mindanao regions. These disruptions could be caused by several factors, including reliance on coal for electricity generation which makes power distribution vulnerable to disruptions in coal supply. Another factor is the growing urban populations and insufficient installation of new power sources that may lead to electricity shortages. Moreover, renewable energy sources supplying the Cebu, Negros, Panay (CNP) grid are susceptible to natural hazards, which can cause major power supply disruptions.

Management Approach

CLI maintains operations during power outages by supplying diesel and gasoline to generator sets. This is crucial in areas with supply disruptions or where power lines are not yet installed, such as construction sites. The company also prioritizes energy efficiency to lower emissions and costs. Energy consumption is monitored by the HR-Admin Department in corporate, branch, and showroom offices, and by the

Engineering team in construction sites via project contractors. In residential and commercial properties, CLI's Property Management group oversees energy consumption and implements energy-saving strategies. These include selecting energy-efficient electrical equipment, installing heat recovery ventilators, and adhering to policies and standards that uphold CLI's energy ratings and green building design advocacy. Furthermore, to reduce greenhouse gas emissions and mitigate potential risks associated with the use of conventional fossil fuels, CLI has integrated renewable energy sources such as the use of solar panels in six new properties, bumping up the total number of properties using solar panels to 11 properties. At the beginning of 2024, there were 25 solar panels for the two properties, while at the end of the year, there were a total of 96 solar panels in eight properties. These solar panel systems power the common areas of the buildings to reduce the cost that will be shouldered by the end-users. CLI continues to explore the use of renewable energy sources for commercial properties in the future.

Monitoring templates for environmental impacts were also enhanced, wherein recording and updating are done monthly by the concerned teams or departments—engineering department for construction projects, the property management team for operational properties, and human resources and admin teams for corporate offices and branches. The data is then reviewed and validated by the Sustainability team for purposes of consolidation. For CLI, reducing energy consumption is challenging because of the yearly increase in the number of construction projects and operational properties. Moving forward, the company will begin to target reductions in resource intensities per property.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	6,255.09	Megaliters
Rainwater collected	21.80	Megaliters
Water consumption	6,397.96	Megaliters
Rainwater used	18.53	Megaliters

Impacts and Risks

The Company's Cebu operations source water from the Metropolitan Cebu Water District (MCWD), supplemented by other providers in some areas, and groundwater extraction for some construction sites and managed properties. For projects outside Cebu City, CLI sources water from other water supply companies. However, excessive water consumption or extraction, especially when withdrawal rates exceed the natural replenishment rate, can contribute to water scarcity, particularly with aggravating factors like deforestation and population growth, which further increase water demand. Over-extraction can also lead to groundwater pollution. Potential water shortages and pollution pose risks to the Company and its operations.

Management Approach

Water is a vital resource for CLI's commercial operations, particularly in construction sites, office and retail spaces, hotel facilities, and managed residential properties. CLI's Project Management (PM) team and various contractors have implemented measures to manage water consumption and promote conservation, such as the installation of water-saving fixtures in the facilities, and the establishment of rainwater collection systems in managed properties. As of 2024, there are 14 properties with rainwater collection systems, which have captured a total of 21,797.20 cubic meters of water for reuse onsite. The importance of water conservation is also communicated to employees and customers alike.

CLI recognizes further opportunities to increase water usage efficiency and rainwater collection and storage capacity. Systems like water percolation ponds and other catchment areas can be explored in the future to capture significant quantities of water to augment the Company's water supply. This will not only contribute to protecting aquifers by easing water withdrawal rates but can also mitigate the impact of disruptions in purchased water supply by providing the Company with alternative water sources.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
Non-renewable		
Sand	40,108.66	cu.m
Gravel	294,929.86	cu.m
Cement	111,120,777.10	kg
Rebars	27,859,298.99	kg
Glass	17,238.66	sq.m
Limestone	7,808.00	cu.m
Renewable		
Lumber	172,983,847.00	bd.ft
Percentage of recycled input materials used to manufacture the organization's primary products and services	Not recorded	%

Impacts

Materials are sourced both in-house (owner-supplied) and through local contractors (contractor-supplied), allowing CLI to support local businesses mainly in the Visayas and Mindanao regions. CLI also includes small companies as part of its vendors list, providing them with opportunities to grow. At the same time, CLI recognizes the negative impacts associated with its use of significant volumes of non-renewable construction materials, such as sand, cement, steel, and glass, which are required to develop quality projects. These materials must be procured and used responsibly not only to conserve their supply, but also to manage the environmental impacts associated with their extraction and processing.

Risks

The scarcity of these materials poses a major risk to the Company, as this would affect the price of materials and CLI's industry competitiveness. Disasters may also cause sudden increases in demand for these materials, coupled with decreases in supply if suppliers are affected by the event. Global issues can also affect local prices, especially for heavily imported materials like fuels.

Management Approach

CLI monitors its use of materials and works with contractors to improve project execution, implement best construction practices, and increase materials efficiency. These efforts aim to reduce material costs, especially for major materials like steel and cement, while maintaining product quality and durability. Additionally, CLI plans to explore alternative and renewable materials to further diversify and strengthen its supply chain and minimize environmental impacts.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Disclosure	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	● MagsPeak Mountain Resort & Villas (under construction/pre-operational stage)	
Habitats protected or restored -CLI planted native tree seedlings and mangroves in various areas in Cebu province	396.40	ha
IUCN ¹ Red List species and national conservation list species with habitats in areas affected by operations	Endangered: ● Molave/Tugas (<i>Vitex parviflora</i>) ● Benguet pine (<i>Pinus kesiya</i>) ● Tree fern/Salaguisog (<i>Cyathea</i>) Vulnerable: ● Narra (<i>Pterocarpus indicus</i>) ● Red Nato (<i>Palaquium luzoniense</i>)	

Impacts

Land development has impacts on the local environment and biodiversity, such as damage to vegetation and potential alteration of soil chemistry and fertility, thus affecting populations that depend on these natural conditions. MagsPeak Mountain Resort & Villas, one of CLI's projects, has a natural forest system in the upland area located in Brgy Sunog, Balamban Cebu. This is a designated multi-use zone of the Central Cebu Protected Landscape, and is home to several native species that may be exposed to the impacts of land development. CLI has taken measures to ensure the protection of biodiversity in its

¹ International Union for Conservation of Nature

project sites, which create positive impacts not only for the environment but also for local communities who are provided with training and inputs for alternative livelihoods.

Risks

There are some risks that pose a threat to the surrounding landscape and biodiversity in CLI's projects which may affect the Company's business and customers. These include overharvesting of wood by settlers in the local communities, or in most cases, the dumping of solid waste in nearby areas surrounding the property. These activities may cause disturbances for the Company's property occupants and reduce the attractiveness of the property, as well as weaken the environmental services provided by the ecosystem like cooling and erosion control. Through effective management, local ecosystems can and must be protected from such activities.

Management Approach

CLI developed and implemented a beyond-tree planting program. All tree growing projects include maintenance for two years to ensure that the trees planted are grown and will survive on their own. The program focused on project sites that can be enhanced by planting more native species of trees and integrating other sustainable landscape materials in their design. Additionally, embedded in the tree growing process is a program called Environmental Conservation Education (EcoEd) for partner farmers and fishermen. This aims to develop and upgrade skills and knowledge for environmental stewardship among community partners. In 2024, a total of 56 hours of eco-learning was conducted with at least 135 farmers and fishermen in attendance.

MagsPeak

To minimize the environmental impact on the protected area, the MagsPeak project will limit construction to a small portion of the property. A biodiversity assessment was conducted to establish a baseline for monitoring plant and animal life, creating a species list and identifying the conservation status of the flora. This information informed the planting activities of Cebu Landmasters Foundation Inc. (CLFI), the company's environmental and social responsibility arm. CLFI, in partnership with an external organization, has planted endangered and critically endangered local species, including Molave, Benguet Pine, Red Lauan, and Kamagong. In 2024, CLFI with its partner People's Organization, the Barangay Unity Key to Integrated Development (BUKID) Multi-Purpose Cooperative, identified a planting site to accommodate additional 12,995 seedlings across a 16-hectare area. Within the same year, the sustainability team conducted a survival rate monitoring activity and developed a plan for replacement planting of more than 20% of seedlings that did not survive. As of yearend, a total of 24,995 seedlings have been planted and maintained in Magspeak. Moving forward, the Company plans to establish a tree nursery in the area to allow propagation of native tree species that thrive in the area which will ensure a good quality supply of seedlings for future landscaping needs.

GREEN and GROW Program

With the implementation of the Green Resources for Ecosystems Enrichment (GREEN) and Green Resources and Opportunities for Work (GROW) programs across project sites and partner communities

through its corporate foundation, CLFI, CLI has significantly contributed to increasing tree cover with the planting of a total of 407,399 trees with more than 80% survival rate as of end of 2024 across 151 community tree growing sites, both terrestrial and coastal areas. A project greening program to enhance the vegetation within the project sites of CLI was also initiated. This program has contributed to the preservation and enhancement of the biodiversity in the northern and southern parts of Cebu. Members of the local community, including people's organizations, farmers, and fisherfolk, are directly engaged in the preparation, planting, and maintenance of native tree species, which provides them with alternative livelihood opportunities as well as environmental education and skills training, including tree nursery establishment, seedling production, plantation design, and best practices in planting and maintenance. In 2024, a total of 99,066 trees and mangroves (27 native species, three fruit trees and nine mangrove species) were planted within 69 hectares of planting sites. To ensure meaningful impact on the local areas, CLI follows a designated program process, from community partner and planting site identification, consultations, stakeholder engagements and orientations, training, and monitoring.

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	4,503.63	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	9.66	Tonnes CO ₂ e
Energy indirect (Scope 3) GHG Emissions	10.05	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	no data	

Impacts

The Company acknowledges that its daily operations, including project planning, development, operations, and management, significantly contribute to greenhouse gas emissions due to the direct and indirect use of fossil fuels. Energy use in corporate offices, managed properties, and construction sites results in direct (Scope 1) and indirect (Scope 2) emissions. Other indirect (Scope 3) emissions are generated from the electricity consumption of 11 leased spaces or occupied units. As the Company expands its real estate products, carbon emissions, which contribute to air pollution and climate change, will also rise.

Risks

The Company acknowledges the risks posed by potential regulatory changes due to government measures to regulate carbon emissions worldwide. These changes may discourage the use of fossil fuels and impose fines for carbon-intensive activities. Furthermore, worsening climate scenarios present additional risks, including disruptions to the availability of materials, property damage, and increased energy costs for cooling.

Management Approach

CLI has implemented a system for monitoring and documenting carbon emissions resulting from its direct and indirect energy use. This system will enable CLI to establish reduction targets and implement energy-saving initiatives.

To reduce energy consumption and emissions, CLI incorporates energy-efficient designs in its developments. In 2024, the Company achieved 100% in its LED retrofitting program across its older properties that previously used non-LED lighting. In addition, CLI increased its power generation from renewable energy sources from nine (9) properties. The Company has set a target to achieve 100% LED lighting across its properties, which will reduce energy costs as well and extend the life cycle of buildings compared to traditional buildings.

Green Building Design and Development

As an advocate of green building design, CLI has received a green building certification for one of its developments from Building for Ecologically Responsive Design Excellence (BERDE). In 2024, CLI complied with the BERDE requirements of a medium-rise building in the socialized housing category in the design stage and received a 3-star BERDE certification.

CLI has in-house Certified BERDE professionals who ensure that CLI's projects are designed keeping in mind green and sustainable features.

Also in 2024, CLI completed the submission of energy, water and materials efficiency requirements of 38 Park Avenue at the design development stage based on the metrics and standards of Excellence in Design for Greater Efficiencies (EDGE). Energy requirements fulfilled include efficient heating, ventilation and air conditioning (HVAC); energy efficient building system with 100% LED lights and spaces using passive cooling strategies such as natural ventilation that does not only reduce energy costs but enhance indoor comfort. On Water efficiency, low-flow fixtures and dual piping system for domestic wastewater and rainwater were integrated in the design; For materials efficiency, the building uses locally-sourced materials, with low VOC (volatile organic compound) materials for better indoor air quality.

The Company's Masters Tower located in Cebu Business Park, worked on its compliance with the Leadership in Energy and Environmental Design (LEED) standards and prepared for on-site assessments to cover both the design and construction stages. Final design review was submitted in the fourth quarter of 2024. Among the LEED credits relevant to Masters Tower are the following: integrative process, surrounding density and diverse uses, heat island reduction, indoor and outdoor water use reduction, building level energy and water metering, storage and collection of recyclables, among other metrics.

The Company's award-winning project, Davao Global Township, has generous green spaces with a dedicated one-hectare central park and several pocket parks for the preservation of native trees. It has smart programmable streetlights. The project uses flood mitigation technology, having a detention tank with a capacity of more than 10,000 cu.m that can handle two-hour detention time based on the Davao area computation.

The Company continues to integrate eco-efficiency and climate resilience from design development, execution to operations management. CLI's Technical Planning team integrates the use of renewable energy sources, sustainable water management systems and advanced wastewater treatment solutions in the project design

The Company's carbon emissions are partially offset by CLI's tree growing initiatives, which help to sequester carbon from the atmosphere, especially the mangroves planted in coastal areas.

Air pollutants

Disclosure	Quantity	Units
NO _x	no data	
SO _x		
Persistent organic pollutants (POPs)		
Volatile organic compounds (VOCs)		
Hazardous air pollutants (HAPs)		
Particulate matter (PM)		

Impacts

Some activities in the Company's operations result in the emission of air pollutants like NO_x, SO_x, and particulate matter, which may affect natural processes and impact the health of people and biodiversity. These include construction activities and the operation of generator sets.

Management Approach

CLI does not currently track its emission of air pollutants and recognizes the opportunity to do so in the future. However, the aforementioned energy conservation initiatives also contribute in reducing the Company's emission of air pollutants, as less fuel is required to meet its energy needs.

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	5,853,570.88	kg
Reused	1,039,563.43	kg
Recycled		
Composted	10,000.00	kg
Incinerated	NA	kg
Residuals/Landfilled	229,098.70	kg

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	35,227.00	kg
Total weight of hazardous waste transported	no data	

Impacts and Risks

Improper waste disposal by haulers at final destinations like landfills can contaminate land and water, and increase emissions. Landfills receive waste that could have been diverted, and generate large amounts of methane, a greenhouse gas 25 times more potent than carbon dioxide.

Management Approach

Waste from CLI's managed properties are collected by private waste haulers. The Company assesses the capability of its waste collectors to ensure proper handling and disposal, especially of hazardous wastes, which are collected by DENR-accredited haulers from designated areas. For construction projects, CLI's contractors handle waste management.

In 2024, following, CLI's Property Management team revisited its waste management plan implemented across all CLI properties. The waste management program provides measures to ensure that wastes are reduced, reused and recycled wherever possible, including provisions for the reduction, segregation, and disposal of waste, assessing the financial impacts of waste disposal, and monitoring waste data. It features a recycling program to repurpose plastic bottles into useful items, providing an opportunity to partner with organizations that can guide this upcycling effort. Meanwhile, in CLI's vertical properties, the Company has partnered with EVO Enviro Solutions, Inc. for its recycling and upcycling programs. Through this partnership, more than 10,000 kg of low-value plastic packaging materials from operational properties were recycled into refuse-derived fuel, while another 10,000 kg of organic waste, mostly green waste, was processed into compost,

CLI can further manage its solid waste by implementing waste segregation at source to decrease landfill materials and establishing on-site materials recovery facilities (MRFs), with potential expansion to include composting facilities through horizontal projects. Additionally, CLI could mandate regular data reports from third-party haulers regarding waste collection and landfill diversion. Moving forward, the company aims to kick-start its circular economy project in the near future to help divert plastics from reaching landfills.

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	365,787.19	Cubic meters
Total volume of wastewater reused / recycled	no data	Cubic meters
Percent of wastewater recycled	no data	%

Impacts

Untreated wastewater discharge can contaminate water bodies and natural habitats by exposing them to harmful chemicals. This contamination is the immediate environmental impact of wastewater.

Management Approach

The Company minimizes effluents by designing and incorporating in its facilities wastewater treatment system in its residential, commercial, office, hotels, and project sites. On average, 80% of water used in managed properties is treated before discharge, while the rest are used for irrigation and similar activities.

For residential subdivisions, domestic wastewater or sewage goes into a septic tank for basic sewage treatment through the process of biological decomposition and drainage. Wastewater treated through this system is then discharged to receiving bodies of water with a classification appropriate for the quality of the wastewater discharged.

The Company has integrated the setup of a dual piping system for potable and non-potable water in the design of vertical projects. Wastewater would pass through a separate system for treatment, and then be routed for reuse in flushing or irrigation. This will help reduce water consumption in managed properties.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	N/A	#

Impacts

Environmental compliance is critical to CLI's operations, especially given the environmental impacts of its primary business, land development. These impacts include increased reliance on non-renewable resources, soil erosion, groundwater and soil contamination, and effects on biodiversity and habitats.

Risks

The company's business is directly impacted by environmental regulatory risk, which can arise from land use regulations and environmental protection concerns. Any regulatory changes at the local or national level affect the progress of the Company's projects.

Management Approach

CLI's compliance with environmental law is managed and monitored by a designated team. This comprises the External Affairs/Permits and Licenses Department, Strategic Business Units, CLI Property Management, and Engineering. To ensure compliance, Pollution Control Officers submit quarterly Self-Monitoring Reports and Compliance Monitoring Reports to the Environmental Management Bureau (EMB) of the Department of Environment and Natural Resources (DENR).

CLI invests in upholding strict environmental compliance, spending over PHP87.19 million on compliance, development of green features, and other initiatives to mitigate environmental impacts. Costs associated with permits, licenses, and compliance requirements include expenses for sewage treatment plants, green building certifications, engineering studies and biodiversity management and enhancement.

Through these efforts, CLI continues to be an exemplary corporate citizen. The Company has invested in internal training and third-party advisories particularly for the pollution control officers of each project or property to monitor full compliance to the environmental laws and regulations and correct any non-compliance issues in the past.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ² (direct hires)*	908	#
a. Number of female employees	538	#
b. Number of male employees	370	#
Attrition rate ³	9.8%	
Ratio of lowest paid employee against minimum wage	1:15	ratio

*This figure represents employees of the parent company only (Cebu Landmasters, Inc.), excluding subsidiaries.

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
Government-mandated Benefits			
PhilHealth Contribution	Y	59.47%	40.53%
Pag-ibig Contribution	Y	59.47%	40.53%
Pag-ibig Loan Availment	Y		
SSS Contribution	Y	59%	41%
SSS Loan Availment	Y	.21%	.26%
Leaves			
Sick leaves	Y	55.07%	34.36%
Vacation leaves	Y	56.61%	37.89%
Emergency leaves		5.51%	3.08%
Birthday leaves	Y	37.90%	21.90%
Parental leaves	Y	2.15%	1.98%
Health Benefits			
Annual Physical Exam	Y	63.28%	36.72%

² Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

³ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

HMO (company-provided) Medical Assistance (not PhilHealth)	Y	59.65%	40.34%
Work Set-up			
Semi flexible-working Hours*	Y	59.47%	40.53%
Allowances			
Meal Allowance (Regular employees)	Y	13.00%	17.00%
Per Diem Allowances	Y	54.5%	44.5%
Rice Subsidy (Regular employees)	Y	53.00%	37.00%
Other Fringe Benefits			
Car/Motorcycle Loan	Y	0.02%	0.007%
Special Emergency Loan	Y	0.005%	0.003%
Company stock options	Y	41%	59%
Company Uniforms	Y	50%	20%
Gift Certificates	Y	47.975	30.60%
Housing assistance (aside from Pag-ibig)	Y	0.001%	0.001%
Retirement Fund Program	Y	2.995	2.59%
Savings Benefit Program 5% from Employee's Monthly Basic will be set aside to savings claim	Y	0.00	0.93%

*Semi flexible time arrangement shifts, where employees are provided shift schedule options

Impacts

Through fair compensation, meaningful engagements, and valuable growth opportunities, CLI provides its workers with decent and gainful employment to support themselves and their families.

Management Approach

CLI considers its human capital as its most valuable asset in the value creation process. The achievement of the Company's vision greatly depends on its human capital. To ensure the well-being of its employees, CLI institutes a number of programs and channels that engage employees and protect their rights and interests.

CLI maintains a high level of employee engagement through bi-annual town hall meetings, platforms like Workplace and WorkVivo, quarterly performance reviews, trainings, summer outings, clubs, and employee volunteer activities. These initiatives aim to boost morale, motivation, skills, and career development, which in turn reduces turnover and strengthens CLI's talent pool. The Compensation and Benefits Committee also supports the Board of Directors in overseeing employee compensation and benefits at all levels. This includes ensuring fair and competitive remuneration through benchmarking with

the Willis Towers Watson Salary Survey. To further support employees, CLI has established a "Comp & Ben Helpdesk" and improved its HRIS for better employee record and payroll management.

CLI's thriving workplace culture earned it the Great Place to Work (GPTW) certification, which is one of the most prestigious workplace certifications for companies. In a company-wide survey conducted, the result showed that 93% of employees consider CLI a great workplace, which is significantly higher than the Philippine average of 65%. Employees also expressed pride in their work, with 95% stating they feel proud to tell others that they work at CLI.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	55,262.75	hours
a. Female employees	32,368.76	hours
b. Male employees	22,215.99	hours
Average training hours per employee	60.85	hours
a. Female employees	60.91	hours/employee
b. Male employees	60.79	hours/employee

Impacts

Investing in employee skills enhancement results in positive impacts to employee morale, loyalty, and productivity. Employees will be better equipped to fulfill their responsibilities in the workplace and pursue career growth.

Management Approach

In 2024, the Company's training activities generated a total of 55,262.75 hours on technical, behavioral, leadership, life skills, sustainability, and organizational policy cascades and orientations, including training sessions on data privacy, IT security, information classification, breach response and the Company's IT Policies and sustainability-related policies and procedures.

The Company focused on planning a training program to enhance the organization's training portfolio prioritizing those that relate to the Company's core values and core competencies. These are in the aspects of customer, innovation and leadership balanced with technical competencies to achieve operational excellence.

CLI directors, executives, and key officers attend in-house training sessions supplemented by SEC-accredited corporate governance training, as well as other outsourced seminars and training courses from various training providers. A special training session on anti-money laundering laws and regulations, including new issuances and updates for real estate developers was attended by the Company's directors,

executive committee and key officers. Regular anti-money laundering training is also provided to CLI personnel, conducted by the national Anti-Money Laundering Council.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	not recorded	#

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	59.3	%
% of male workers in the workforce	41.7	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

*Vulnerable sectors include the elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Construction Sites		
Safe Man-Hours	20,232,031.00	Man-hours
No. of work-related injuries (First Aid Injury)	181	#
No. of work-related injuries (Medical Treatment Injury)	10	#
No. of work-related fatalities	1	#
Total Disabling Injury Rate (TDIR)	0.086	#
Lost Time Injury	1	#
No. of safety drills	102	#
Corporate Offices, Branches, and Showrooms		
No. of work-related ill health		#
Property Management		
No. of work-related ill health	31	#
No. of safety drills	25	#

Impacts

Protecting and promoting worker health provides direct positive impacts to employees and workers in the Company. In addition, implementing safety measures across all of the Company’s facilities, managed properties, and construction sites also protects the safety of members of the public who are exposed to these sites.

Risks

Risks associated with occupational health are physical and mental health concerns, work-related hazards, injuries, labor and employee relations, catastrophic personal events, succession, and key talent flight risk. All these risks have a significant impact in the Company’s business operations if not managed appropriately.

Management Approach

CLI established supplementary safety protocols to mitigate potential harm, hazards, and accidents, and to safeguard the health and well-being of all personnel involved in CLI construction projects. The Health, Environment, and Safety (HES) Team implemented safety requirements for contractors to be included during prebid meetings for proper allocation of budget. The team successfully conducted health, environmental, and safety audits for Q1, Q2, Q3, and Q4 across all CLI projects. 33 Construction Safety and Health Programs were approved by the Department of Labor and Employment (DOLE) and implemented in 2024. The HES team also drafted 34 HES guidelines, 9 HES procedures, and 19 HES forms. Four out of seven HES memos have also been approved by management. Some HES milestones are the recognition of DGT City Center for achieving 1 million safe man-hours, The Paragon Davao for achieving 5 million safe man-hours, and the Master’s Tower for achieving 2 million safe man-hours. The Abaca Resort Hotel Mactan also won the SOPI Award of Merit. The HES team strengthens daily HES communication with project HES teams through online platforms. The HES team also ensures that they continuously oversee contractor HES implementation and compliance with legal requirements, develop HES management system at the corporate level, and continuously review existing policies, measures, and updates according to legislation, and incident investigation and reporting. The team also observes strict implementation of urgent corrective actions to work activities that present imminent danger and life-threatening conditions and proactively discusses with the project HES teams how to resolve such issues.

CLI also provides activities to boost employee wellness, motivation, and engagement. Through programs and celebrations like Town Halls, International Women’s Month, the 2024 Summer Outing, Employee Appreciation Day, and the Halloween Event, employees can build rapport and express themselves through creative means. CLI also enhanced its *Hilig Clubs*, and added three new activities namely the Outdoor Club, Volleyball & Badminton Club, and Martial Arts Club as avenues to pursue and explore hobbies with colleagues. In managed properties, CLI’s PM team promoted health and wellness among its employees through the Friday Wellness initiative.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	Code of Business Conduct and Ethical Standards Section 1 - Compliance with Laws and Regulations
Child labor	Y	Code of Business Conduct and Ethical Standards Section 1 - Compliance with Laws and Regulations
Human Rights	Y	CLI Handbook - section on Employee Discipline Due Process

Impacts

It is paramount to the Company to be compliant with the labor code and other laws and regulations protecting the rights of all its employees while promoting a healthy and safe environment in the workplace. CLI recognizes that threats to the rights, health, and safety of its employees impacts productivity, as well as employee retention and engagement.

Management Approach

CLI's Compliance Officer regularly monitors updates from regulatory bodies and checks the Company's compliance with various laws and regulations, including labor laws that govern fair compensation and treatment, safe working environments, and the prohibition of forced labor and child labor. The Company's Handbook on Employee Discipline and the Code of Business Conduct and Ethical Standards also contains policies for the fair and consistent treatment of all employees. CLI adheres to this code and regularly monitors workplace conditions to uphold human rights and protect its employees' interests in all its operations.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Construction and Management of High-Quality Properties	Locations across Visayas-Mindanao	Indeterminate	N	Right to adequate housing	Quality construction and effective property management enhances the socioeconomic conditions of the local communities where CLI's properties are located

*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

Impacts and Risks

Real estate development generates impacts on the host and neighboring communities where the projects will be built. There is a risk of displacement of informal settler families occupying the private property that is planned to be developed. Other negative impacts include public disturbance and access issues at construction stage.

Management Approach

In 2024, CLI expanded its community engagement by partnering with additional people's organizations through the CLFI. The system for conducting community profiling, needs assessment, and capacity building of partner organizations (mostly farmers and fishermen organizations, including socialized

housing beneficiaries) was improved through process enhancements. As a result, a total of 1,094 low-income families benefited from the community programs which brings to a total number of 6,081 families since 2021, with more than 200 institutions or external organizations engaged. The programs implemented helped build capabilities and provided livelihood opportunities, built start up enterprises and helped generate income for partner communities.

CLI's sustainability/community relations team improved its processes for monitoring measurable outputs of all its programs. The team regularly conducts sessions to evaluate the program partnership and to gather information on income generated from the activities. In 2024, CLI developed a plan to formalize and standardize a feedback mechanism which will be implemented in the following year.

CLI's 4-Pillar Community Development Strategy

SHELTER: Providing Access to Affordable Housing and Integrated Development

In 2024, in collaboration with partner LGU of Mandaue City, assisted in the resettlement of ninety (90) beneficiary families into a 3-Star BERDE-certified (*Building for Ecologically Responsive Design Excellence*) medium rise building developed by CLI. These families were victims of two separate fire incidents in 2016 and 2019. The Foundation assisted the LGU in the aspect of social preparation, helping them transition from horizontal or sprawling settlements to living in vertical spaces. In addition, the Foundation facilitated the capacity building of partner LGU on the aspect of property management, providing guidance on the monitoring and maintenance of the built residential space. More than 50 hours of work session was dedicated for the training of the LGU property management team to help develop a system to standardize building maintenance activities from house rules and building administration guidelines. More than just providing and maintaining the space, the Foundation continues to support the beneficiary community in the aspect of sanitation and waste management, livelihood, health and wellbeing.

ENVIRONMENT: Protecting Ecosystems and Enhancing Biodiversity

In 2024, CLI continued to enhance biodiversity across 396 hectares of planting sites in Cebu in partnership with farmers' and fishermen's organizations trained on the project lifecycle of tree growing, from seedling production, site preparation, planting, maintenance and monitoring. Through the Foundation's GREEN and GROW initiative, CLI significantly increased tree cover by planting a total of 407,399 trees with a survival rate of over 80% as of year-end 2024. These trees were planted across 151 community tree growing sites, in both terrestrial and coastal areas. Additionally, the Foundation initiated a project greening program to enhance vegetation within CLI's project sites. This program helped protect and enhance biodiversity in the northern and southern parts of Cebu and increased the total number of beneficiary farmers/fishermen to 568.

EDUCATION: Developing Talent and Building Capacity

A total of 277 hours of community capacity building and at least 108 hours of technical-vocational skills training benefited 1,255 individuals from the partner communities with predominantly women in attendance. This program introduced a diverse set of skills from leadership, ecosystems services, biodiversity management, simple financial management and livelihood series. In addition, the company continues to support 25 university scholars taking up architecture, engineering, business, marketing and hospitality programs.

ENTERPRISE DEVELOPMENT: Supporting Livelihood for Farmers and Fishermen

The Foundation's *LAMBO* (Livelihood Assistance for Multi-sectoral beneficiary organizations) program is the umbrella livelihood program for all partner communities. Under this 'mother program' is a sub-program called *GROW* (Green Resources and Opportunities for Work) which has significantly increased the income of farmers (terrestrial) and fisherfolk (coastal) through tree growing which starts from seedling production, nursery establishment, tree planting, maintenance and monitoring. The beneficiaries of the program are partner farmers and fishermen. On the other hand, the company continues to promote the farmers' produce through a farm-to-market initiative known as *Tabo* that has expanded from the company's corporate offices to the company's managed residential properties, linking both the farmers and the consumers, eliminating traders or middlemen while helping farmers build professional relationships with commercial establishments.

Moving forward, CLI seeks to further support farmers and fisherfolk through its program called *FARM* (Fostering Agricultural Resilience and Management) and *FISH* (Fostering Innovative and Sustainable Harvesting).

CLI manages its relationships with local government units, local communities, and partner organizations through diverse engagement channels such as project orientations, consultations, chat groups, and seminars. Through these engagements, the Company makes sure to understand the genuine concerns, needs, and interest of its partners to strengthen the positive impacts of its social responsibility initiatives.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	3.85 out of 5	N

Impacts

Maintaining customer satisfaction helps support the financial success of the Company through continued patronage and improved brand reputation. This, in turn, will generate positive impacts on the Company's other business partners and stakeholders, as robust economic performance contributes to fruitful partnerships and the creation of shared value.

Management Approach

CLI has established a three-year innovation roadmap to enhance customer experience and operational efficiency through seamless digital solutions. This roadmap will also improve decision-making and streamline business processes for brokers, sellers, property owners, and the internal business value chain. The six key strategic priorities of the roadmap are intended to improve CLI's innovation maturity to level 3. These initiatives include the Master Super App, Project Management End-to-End Solution, Data Management System, Upgrade of our Enterprise Resource Planning, Business Process Management, and CyberSecurity, Network Infrastructure, and IT Service Management.

One of the key modules of the Master Super App that we launched is "Ask CLI," which improves customer service with a seamless, efficient platform. This ensures 24-hour response time so that no concerns are left unattended. It also streamlines inquiries, enhances customer satisfaction, and optimizes operations.

The Project Management End-to-End Solutions includes the Integrated Permits Monitoring System (IPMS), which streamlines tracking and processing. This ensures compliance and real-time visibility of permit requirements for each project.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	N/A	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Impacts

Ensuring customer safety is not only crucial for the well-being of the customers themselves but also for the broader community that utilizes the same facilities. Similar to workplace health and safety, where safeguarding employees' health contributes to public health. By prioritizing customer safety, businesses can cultivate an environment where customers feel valued and protected. This heightened sense of safety and security can, in turn, foster customer loyalty and satisfaction, which are key drivers of repeat business and positive recommendations. Ultimately, these factors contribute to the financial health of the company, generating increased revenue and profitability, which benefits both the company itself and its stakeholders.

Management Approach

CLI places a high priority on mitigating risks and ensuring the safety and well-being of all individuals within its managed properties. This commitment extends to tenants, guests, homeowners associations, and Condo Corps under CLI PM. To achieve this, CLI has implemented comprehensive customer health and safety policies across its portfolio.

One crucial aspect of these policies is maintaining safe and secure spaces for everyone. This includes implementing specific measures tailored to the needs of each property. For instance, in response to the Anti-Rabies Law (RA 9482), CLI PM has proactively introduced pet ownership policies in certain locations. These policies aim to minimize the risk of rabies transmission and promote responsible pet ownership within the community. To support these policies, CLI PM has taken a collaborative approach by partnering with expert resource persons and local government units to have organized and facilitated educational seminars focused on responsible pet ownership. CLI PM has also taken concrete steps to prevent the spread of rabies by offering free anti-rabies vaccination programs to homeowners. By making these vaccinations readily available, CLI PM actively contributes to the overall health and safety of the community. These initiatives demonstrate CLI's unwavering commitment to creating a secure and healthy environment for all stakeholders within its managed properties.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	N/A	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Impacts

Companies have a responsibility to ensure that their customers are well-informed about their products. This includes providing accurate and relevant product information that empowers consumers to make informed decisions and stay safe. By being transparent and truthful in their marketing and labeling practices, CLI can foster a sense of trust and confidence among their customers, contributing to a safer and more informed marketplace. This commitment to consumer education and safety not only benefits the individual consumer but also promotes overall public safety and well-being.

Risks

Digital media channels for product advertising can lead to concerns around brand safety and data breaches, as well as third-party claims of intellectual property infringement. Additionally, the inadvertent

placement of advertising content near inappropriate content on social media can negatively impact brand value. These scenarios can result in reputational, business, data security, and legal risks. Furthermore, property marketing materials that utilize conceptual and schematic designs from architects can create risk if the promised features and amenities are not ultimately delivered. CLI takes measures to ensure that all promised features and amenities in marketing materials are provided.

Management Approach

Given the highly competitive real estate market, particularly in the residential and commercial sectors, customers are increasingly demanding unique features such as a strong online presence, brand recognition, mobile apps, and online events that can substitute for time-consuming, in-person activities. To address this, CLI employs a multi-channel advertising strategy that includes billboards, LED screens, brochures, radio ads, social/digital media, and other channels. CLI ensures that all public-facing advertising and branding campaigns adhere to the laws and regulations of government bodies such as the Department of Trade and Industry (DTI) and Ads Standards Committee (ASC).

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	N/A	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data		#

Impacts and Risks

CLI acknowledges that hacking and data breaches present a significant risk to both customer and corporate data security. These security incidents could lead to a wide range of negative consequences. Hacking and data breaches can disrupt CLI's operations, potentially leading to downtime, service interruptions, and financial losses. The loss or theft of sensitive corporate information, such as financial data, or strategic plans, could harm CLI's competitive position, damage its reputation, and reduce shareholder value. A data breach that results in the theft of a Personally Identifiable Information (PII), such as names, addresses, social security numbers, or financial information, could also expose affected individuals to identity theft, fraud, and other forms of harm. This can lead to significant financial losses,

emotional distress, and reputational damage for both the affected individuals and CLI. CLI recognizes that the potential consequences of hacking and data breaches are severe and far-reaching. The company is committed to taking all necessary steps to protect its data and minimize the risk of security incidents.

Management Approach

CLI's strong commitment to data privacy is evident in its consistent implementation of its privacy management programs, making sure that the company maintains robust protection measures not only technically but also physically and organizationally.

Recognizing the increasing sophistication of threats, top management prioritizes the security and well-being of customer and stakeholder data. This translates into concrete actions including internal process and cybersecurity enhancements in line with data privacy and information security standards, regular employee awareness training sessions, and proactive vulnerability assessments and audits. The company's data privacy and IT security strategy is also forward-looking, aligning with its growth trajectory and digital direction.

CLI's three-year innovation roadmap also focused on bolstering infrastructure security, reliability, and scalability. The program's components, such as CyberSecurity, Network Infrastructure, and IT Service Management, demonstrate CLI's dedication to improving data security and safeguarding customer privacy.

All these efforts are formally committed, implemented, and monitored through CLI's performance management system and benefit from the approval and guidance of top management and its corporate governance and risk committees.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Construction and Management of Quality Properties	GOAL 11: Sustainable Cities and Communities CLI provides access to affordable housing. In 2024, CLI continues to build well-planned, accessible, healthy, eco-efficient, inclusive and sustainable products. Since its inception, CLI has built residential (95), office (6), hotel (10), mixed-use (10) and township developments (3). CLI also connects its residents or occupants to its partner farmers through the establishment of stalls on its different developments, enabling the sale of local produce. GOAL 8: Decent Work and Economic Growth CLI offers safe and decent jobs by providing health spaces and good working environments and practices. In 2024, CLI had a total of 1,076 direct hires and 9,614 indirect hires (outsourced personnel). GOAL 9: Industry, Innovation and Infrastructure CLI sets the trend in developing socialized housing medium-rise buildings for the urban poor. In 2024, CLI turned over its second medium rise building, Tipolo Residences 2, accommodating another 90 informal settler families who were once victims of fire in 2016 and 2019. GOAL 10: Reduced Inequalities CLI's developments provide employment opportunities and support local businesses. It supports a workforce of more than 5,000	The activities required for the Company's operations and social responsibility programs inevitably consume resources and produce waste material, which may contribute to pollution. Construction activities may disturb and damage biodiversity, affecting the natural balance of local environments. Developments may cause traffic congestion and noise pollution.	CLI has policies in place to manage and monitor its consumption of resources and generation of waste material. Efficiency initiatives are implemented and continuously explored to control resource intensity and waste production. In protected areas such as the locality of MagsPeak Mountain Resort, CLI conducted a biodiversity assessment as a baseline for monitoring its impacts on local wildlife. In general, CLI complies with environmental regulations for all its properties, ensuring that its environmental impacts are manageable. (No identified mitigation approach for this)
Social Responsibility Programs	GOAL 10: Reduced Inequalities CLI's developments provide employment opportunities and support local businesses. It supports a workforce of more than 5,000	Beneficiaries of social responsibility programs may become reliant on the Company for livelihood support.	Based on its 4-pillar strategy which is aligned with the Company's sustainability strategy, CLI's social responsibility programs are designed to empower beneficiaries to become self-reliant.

	occupying its office buildings and retail spaces. GOAL 3: Good Health and Well-Being CLI invests in the health and wellbeing of its employees. In 2024, CLI upgraded its health benefits and spent more for employee health and wellness programs. GOAL 12: Responsible Consumption and Production CLI tracks and manages resource use and impacts. The Company engaged with external partners for waste recycling and planning for circular economy models for its operations. GOAL 15: Life on Land and GOAL 13: Climate Action CLI strives to manage its environmental impacts and seeks to help protect ecosystems through various initiatives in collaboration with its host communities and external partners., CLI planted and continued to maintain 407,399 trees in 151 planting sites across the northern and southern parts within the Province of Cebu. Additionally, it has expanded its project greening program to Bacolod, Iloilo and Cagayan de Oro. GOAL 5: Gender Equality CLI promotes diversity and equal opportunity in the workplace and its areas of operations. In 2024, , female to male ratio is at 1.45:1 GOAL 17: Partnerships for the goals CLI builds and strengthens relationships with its partners, communities, government, civil society organizations and the rest of its stakeholders. CLI, through its corporate foundation, engaged more than 200 institutions to implement community development programs		

