

15 May 2025

**Philippine Dealing & Exchange Corp.**

29th Floor, BDO Equitable Tower  
8751 Paseo de Roxas  
Makati City 1226

Attention: **Atty. Suzy Claire R. Selleza**  
*Head - Issuer Compliance and Disclosure Department*

**Securities and Exchange Commission**

The SEC Headquarters, 7907 Makati Avenue  
Salcedo Village, Bel-Air, Makati City 1209

Attention: **Atty. Oliver O. Leonardo**  
*Director - Markets and Securities Regulation Department*

**Dear Mesdames and Gentlemen:**

In compliance with PDEX Rule 7.9.3 and the Implementing Rules and Regulations of the Securities and Regulation Code, we enclose a copy of Cebu Landmasters, Inc.'s ("CLI" or the "Company") disclosure filing to The Philippine Stock Exchange, Inc.

We trust that this submission meets your requirements. If you have questions and/or clarifications, please feel free to contact the undersigned. Thank you.

Very truly yours,

**CEBU LANDMASTERS, INC.**

By:

  
**ATTY. JOHN EDMAR G. GARDE**  
Legal Counsel and Compliance Senior Manager



# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-Q

### QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended  
Mar 31, 2025
2. SEC Identification Number  
CS200321240
3. BIR Tax Identification No.  
227-599-320-000
4. Exact name of issuer as specified in its charter  
CEBU LANDMASTERS, INC.
5. Province, country or other jurisdiction of incorporation or organization  
Philippines
6. Industry Classification Code(SEC Use Only)
  
7. Address of principal office  
10TH FLOOR, PARK CENTRALE TOWER, JOSE MA. DEL MAR ST., CEBU I.T. PARK,  
BRGY. APAS, CEBU CITY, PHILIPPINES  
Postal Code  
6000
  
8. Issuer's telephone number, including area code  
0322314870
9. Former name or former address, and former fiscal year, if changed since last report  
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON SHARES	3,465,201,467
PREFERRED SHARES	4,280,340

11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes  No

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

PHILIPPINE STOCK EXCHANGE - COMMON SHARES & PREFERRED SHARES

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 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  No

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

Yes  No

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



## Cebu Landmasters, Inc. CLI

### PSE Disclosure Form 17-2 - Quarterly Report References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Mar 31, 2025
Currency (indicate units, if applicable)	PHP

#### Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2025	Dec 31, 2024
Current Assets	57,923,779,575	47,640,752,757
Total Assets	115,473,188,985	109,002,524,842
Current Liabilities	30,828,408,974	31,627,957,820
Total Liabilities	84,242,595,079	78,696,405,437
Retained Earnings/(Deficit)	12,618,962,658	11,623,591,601
Stockholders' Equity	31,230,593,906	30,306,119,405
Stockholders' Equity - Parent	21,340,947,386	20,345,576,387
Book Value per Share	4.92	5.87

#### Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	6,613,056,249	6,290,248,697	6,613,056,249	6,290,248,697
Gross Expense	4,007,102,982	4,054,959,703	4,007,102,982	4,054,959,703
Non-Operating Income	18,093,859	633,345	18,093,859	663,345
Non-Operating Expense	722,534,560	598,256,719	722,534,560	598,256,719
Income/(Loss) Before Tax	1,901,512,566	1,637,695,620	1,901,512,566	1,637,695,620

<b>Income Tax Expense</b>	577,038,006	456,022,933	577,038,006	456,022,933
<b>Net Income/(Loss) After Tax</b>	1,324,474,560	1,181,672,687	1,324,474,560	1,181,672,687
<b>Net Income Attributable to Parent Equity Holder</b>	995,371,058	977,793,719	995,371,058	977,793,719
<b>Earnings/(Loss) Per Share (Basic)</b>	0.25	0.28	0.24	0.28
<b>Earnings/(Loss) Per Share (Diluted)</b>	0.25	0.28	0.24	0.28

	<b>Current Year (Trailing 12 months)</b>	<b>Previous Year (Trailing 12 months)</b>
<b>Earnings/(Loss) Per Share (Basic)</b>	0.92	0.75
<b>Earnings/(Loss) Per Share (Diluted)</b>	0.92	0.75

<b>Other Relevant Information</b>
-

**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>Atty. John Edmar G. Garde</b>
Contact Person

<b>(032) 231 - 4870</b>
Company Telephone Number

1	2
Month	

3	1
Day	

<b>17-Q</b>
Form Type

0	6
Month	

0	4
Day	

*Regular Stockholders' Meeting*

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Secondary License Type, If Applicable

Dept. Requiring this Doc		

Amended Articles Number/Section

<b>22</b>
Total No. of Stockholders

Total Amount of Borrowings	
Domestic	Foreign

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To be accomplished by SEC Personnel concerned

File Number									

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Document I.D.									

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Cashier

**SEC Number: CS200321240**

**File Number: \_\_\_\_\_**

**CEBU LANDMASTERS, INC.**

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**(Company's Full Name)**

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

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**(Company Address)**

**(032) 231-4870**

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**(Telephone Number)**

**March 31, 2025**

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**(Quarter Ended)**

**SEC Form 17-Q Quarterly Report**

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**(Form Type)**

**-**

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**(Amendments)**

SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE  
SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended March 31, 2025
2. Commission 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 the issuer's principal office and postal code:  
10TH FLOOR, PARK CENTRALE, B2 L3, JOSE MA. DEL MAR ST.,  
CEBU IT PARK, APAS, CEBU CITY  
Postal code: 6000
9. Issuer's telephone number, including area code: (032) 231-4870
10. Former name, former address, former fiscal year: Not applicable
11. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each class	Number of shares issued and outstanding
COMMON SHARES	3,465,201,467
PREFERRED SHARES	4,280,340

Stock Exchange: Philippine Stock Exchange

Securities listed: Common shares  
Preferred shares

12. Indicate by check mark whether the registrant:
  - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 12 months (or for such shorter period that the registrant was required to file such reports):  
Yes  No
  - (b) has been subject to such filing requirements for the past 90 days:  
Yes  No

## **I. MANAGEMENT DISCUSSION AND ANALYSIS**

### **OVERVIEW**

CLI is the leading residential developer in Visayas and Mindanao. 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 worth of fresh capital from investors – boosting its expansion in new locations and fueling its various projects.

As of March 31, 2025, CLI has a total of 126 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 Institute of Corporate Directors 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.

### **COMPANY MILESTONES**

During the initial quarter of 2025, Cebu Landmasters, Inc. (CLI) issued its sustainability-linked bonds (SLBs) amounting to up to PHP 5 billion. This initiative is the second tranche of the Company's PHP 15 billion shelf-registration program and affirms CLI's commitment to building 16,000 additional affordable housing units by 2028, thereby doubling its historical output. The bonds received a PRS Aa Plus credit rating with a Stable Outlook from PhilRatings.

In the same period, CLI launched One Manresa Place, its pioneering residential development within the 14.6-hectare Manresa Town in Cagayan de Oro. The project

generated PHP 4 billion in sales within two days of launch and reached PHP 5 billion within two weeks. With nearly 90% of its 940 units sold shortly after launch, the development highlights robust demand in Northern Mindanao and features sustainable design with more than 63% open space.

As of March 31, 2025, CLI reported consolidated revenues of PHP 6.5 billion, up 4% year-on-year. Parent net income after tax stood at PHP 995 million, backed by an 18% increase in reservation sales amounting to PHP 6.3 billion and a 94% sell-out rate across its residential portfolio. Hospitality revenues grew by 161%, while leasing revenue climbed 56% during the quarter.

CLI's net debt-to-equity ratio improved to 1.52x, and it generated PHP 3.4 billion in operating cash flow. Total assets stood at PHP 115.5 billion as of March 31, 2025.

### **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. Iyf 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 March 1, 2025 vs January 1 to March 31, 2024***

Cebu Landmasters Inc. demonstrated a steady performance in the first quarter of 2025, with consolidated revenue increasing by 4% to reach ₱6.506 billion from ₱6.234 billion in the same period last year. This growth was driven by expansion across all business segments, highlighting robust market demand. Consequently, the company achieved 2% growth in net income to parent, rising from ₱978million to ₱995 million.

## **REVENUES**

### ***Real estate sales***

Real estate sales recorded a 3% year-over-year increase in revenue to ₱6.32 billion from ₱6.15 billion. A key contributor to this growth is the lot sale 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 50% of its overall figure. Mindanao and Visayas (ex-Cebu) contributed 29% and 18%, respectively. The increase in share in revenue outside Cebu were driven by new projects such as Velmiro Heights Davao, 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 ₱675 million, reflecting a decrease of 42% year-on-year from ₱1.16 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 this year.

*Garden Series (Mid-market)*, posted a revenue of ₱2.44 billion from ₱1.90 billion. The 28% 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 and Mandra Residences.

*Casa Mira Series (Economic market)* generated revenue from ₱2.99 billion to ₱1.99 billion, reflecting a significant decrease of 47%. This decline is primarily due to substantial revenue recognitions in the previous year from Casa Mira Homes Davao, Casa Mira Homes Ormoc, 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 significant growth in rental revenues, reaching ₱52.73 million, representing a 56% year-on-year increase from ₱33.83 million. This growth can be attributed primarily to new retail tenants and increased occupancy revenue from already completed projects. Notably, CLI has substantially expanded its Gross Leasable Area to 40,575 square meters, marking a notable 13% rise from the previous quarter's 35,772 square meters. 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 strengthening of the hospitality industry in VisMin presents a significant opportunity for CLI. CLI is effectively tapping into this growth as it expands its footprint in the VisMin tourism industry with the opening of the 200-room Citadines Bacolod City. The company's first hotel outside Cebu City and the largest international hotel in Bacolod.

With the opening of Citadines Bacolod City, CLI now boasts four operational hotels: Citadines Cebu City, Iyf Cebu City at Base Line Center, The Pad Co-Living in Banilad High Street, and the new Citadines Bacolod City. Notably, hotel operations have seen a significant boost, with revenue rising to ₱104.57 million, up from ₱40.01 million in the same period last year, representing a 161% increase driven by these new openings.

CLI is also set to complete Citadines Paragon Davao with 263 rooms and Radisson Red with 144 rooms by the end of 2025. Furthermore, with 6 more hotels under construction, CLI is strategically positioning itself to further capitalize on the burgeoning opportunities within the hospitality sector.

### ***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 CLI Property Management (CLIPMI) services provided to CLI's completed projects. During the year, the parent company's project management revenue reached ₱25.95 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 for the three months ending March 31, 2025, was reported at ₱2.98 billion, 4% year-over-year decrease from ₱3.11 billion of the same period last year.

### ***Operating Expenses***

Total operating expenses during the period amounted to ₱1.03 billion, a 9% y-o-y increase from ₱937 million of the same period in 2024.

In October 7, 2022, CLI listed its first tranche of ₱15 billion bonds worth ₱5 Billion with 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%

And on March 21, 2025, the CLI issued the second tranche of its sustainability linked bonds amounting to P5,000,000,000 with the following tenors:

- Series D – maturity of 3 years and a coupon rate of 6.6348%; and,
- Series E – maturity of 5 years and a coupon rate of 6.9157%.

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 PHP 4.28 billion from Series A preferred shares. Proceeds from this offering will primarily be used to support the company's expansion plans.

## **NIAT ATTRIBUTABLE TO NON-CONTROLLING INTEREST (NCI)**

For the period ending March 31, 2025, NIAT attributable to NCI saw an increase from ₱204 million in 1Q 2024 to ₱329 million. This increase is due to higher income contribution from completing JV projects.

## **REVIEW ON THE COMPANY'S FINANCIAL CONDITION**

### **As of March 31, 2025, vs December 31, 2024**

CLI's balance sheet remains steady and healthy to support construction and expansion plans. As of March 31, 2025, CLI reported total assets of ₱115 billion, an increase of 6% from ₱109 billion as of December 31, 2024 driven by progress in construction from sold units.

## ASSETS

### *152% increase in Cash and cash equivalents*

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

### *120% increase in Receivables (including non-current portion)*

Increased from ₱4.61 billion to ₱10.14 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%.

### *9% decrease in Contract assets (including non-current portion)*

from ₱49.43 billion to ₱44.93 billion primarily due to completed installment contracts

### *17% decrease in Real Estate Inventories*

from ₱13.08 billion to ₱10.91 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.

### *0% increase in Noncurrent Asset held for sale*

This 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.

### *0% increase in Investment in Joint Ventures and Associates*

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

### *1% increase in Due from related parties*

Due to transactions paid by CLI (Parent) on behalf of its related parties from ₱53.43 million to ₱53.84 million.

5% increase in Prepayments and other current assets from ₱7.36 billion to ₱7.75 billion significantly due to increased prepaid commissions.

7% increase in Property and equipment from ₱9.17 billion to ₱9.85 billion significantly due to the completion of new operational hotels such as Baseline Lyf.

1% decrease in Right of use asset from ₱1.09 billion to ₱1.08 billion due to amortization of high-value leasehold rights.

7% increase in Investment properties from ₱19.45 billion to ₱20.78 billion attributed to ongoing construction of recurring income generating projects such as Masters Tower, Abaca Resort, Astra Corporate Center and Davao Global Township.

### *2% decrease in Other Non-current assets*

from ₱2.16 billion to ₱2.12 billion due to significant decrease in advances to contractors.

## LIABILITIES

4% increase in Interest-bearing loans and borrowings (including non-current portion) from ₱49.58 billion to ₱51.47 billion reflects stability, coupled with the strategic decision to raise funds through preferred shares to support ongoing and future project developments.

19% increase in Trade payables (including non-current portion) from ₱21.63 billion to ₱25.73 billion due to accruals made on unbilled costs to match with revenue recognized.

216% decrease in Contract liabilities from ₱386.49 million to ₱534.51 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.

1206% increase in Income tax payable from ₱15.99 million to ₱208.82 million due to the accrual of income tax due for the period.

4% increased Deferred tax liabilities - net from ₱5.75 billion to ₱5.96 billion due to additional recognized tax liability on taxable temporary differences.

## EQUITY

9% increase in Parent Company's Retained Earnings from ₱11.62 billion in December 2024 with the impact of restatement with the adoption of PFRS 15 to ₱12.62 due to the Net Profit recognized during the period.

### I. KEY PERFORMANCE INDICATORS

The Cebu Landmasters Inc. (CLI or the "Company") uses a range of financial and operational key performance indicators ("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:

	YTD March 31, 2025	YTD March 31, 2024
Gross Profit Margin <sup>1</sup>	54%	50%
Net Income Margin <sup>2</sup>	20%	19%
EBITDA <sup>3</sup>	₱2.50 billion	₱2.26 billion
EBITDA Margin <sup>4</sup>	38%	36%
Interest Coverage Ratio <sup>5</sup>	11.44	5.78
	<b>As of March 31, 2025</b>	<b>As of December 31, 2024</b>
Return on Assets <sup>6</sup>	4%	4%
Return on Equity (Parent) <sup>7</sup>	22%	26%
Current Ratio <sup>8</sup>	1.88	1.51
Net Debt to Equity Ratio <sup>9</sup>	1.52	1.58

1. *Gross Profit Margin is gross profit as a percentage of revenues using the adjusted figures from 2023.*
2. *Net Income Margin is consolidated net income as a percentage of revenues using the adjusted figures from 2023.*
3. *EBITDA is defined as earnings before interest, tax, depreciation and amortization from continuing operations, and before exceptional items.*
4. *EBITDA margin is EBITDA as a percentage of revenues*
5. *Interest coverage ratio is computed by dividing EBITDA (Earnings before Interest, Taxes, Depreciation, Amortization) plus cash balance, to the interest during the period.*
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. For 2023, this is based on the restated net income for the year using PFRS 15; For 2024, this is based on annualized net income of the nine-month period ending September 30, 2024*
8. *Current Ratio is current assets divided by current liabilities*
9. *Net Debt-to-Equity Ratio is interest bearing debt less cash and cash equivalents over total equity*
10. *Debt to Equity is interest bearing debt over total equity*
11. *YTD September 30, 2023 financial performances adopts the new PFRS 15*

The Company's gross profit margin is dependent on the mix of revenue during the period. During the first three months of 2025, 35% of the Company's topline was attributable to Casa Mira Projects which had a higher Gross Profit Margin compared to the other segments. Additionally, recurring projects showed a remarkable revenue recovery, these projects have Gross Profit Margins with over 50%. Meanwhile, Net Income Margin remains stable at 20%.

Cebu Landmasters continue to implement cost efficiency measures that enabled the company to post stable and healthy margins despite the challenging market environment.

For the period ended March 31, 2025, all other ratios remain healthy with Return on Assets at 4% and Return on Equity (Parent) at 22%. Net Debt to Equity ratio improved to 1.52x significantly due to the Company's current ratio projected ample liquidity at 1.88x.

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

## **KPIS SUBJECT OF LOAN COVENANTS**

The notes facility agreements to which CLI is a party require that it should maintain the following financial ratios, with testing to be done by the Facility Agent annually based on CLI's year-end audited consolidated financial statements:

- a. a Debt-to-Equity Ratio not exceeding 2.5:1;
- b. a Current Ratio of 1:1; and
- c. Interest Coverage Ratio of at least 3:1.

"Debt-to-Equity Ratio" means the result obtained by dividing (i) the amount of interest-bearing liabilities of the Issuer by (ii) total Equity of the Issuer, in each case as appearing in the latest consolidated audited balance sheet of the Issuer; provided, that if the Issuer issues preferred shares which are (1) either redeemable at fixed date, or redeemable at the option of the holder of the preferred shares, and (2) the Issuer is obliged to make payments in the form of either interest or dividends, or the terms and conditions of the issuance of preferred shares oblige the Issuer to distribute a specific percentage of profits, then such preferred shares shall be categorized as liabilities falling under (i) hereof, otherwise, it shall be classified as part of Equity when computing the Debt-to-Equity Ratio. "Equity" means, at any date and as shown in the latest consolidated audited balance sheet of the Issuer, the

aggregate of outstanding capital stock, additional paid-in capital, equity reserve and retained earnings.

“Current Ratio” means the proportion of Current Assets to Current Liabilities and is determined by dividing Current Assets by Current Liabilities. “Current Assets” means, at any date, the aggregate current assets as shown in the latest consolidated balance sheet of the Issuer (as at such date), prepared in compliance with accounting principles generally accepted in the Philippines as set forth in PFRS. “Current Liabilities” means, at any date, the aggregate current liabilities as shown in the latest consolidated balance sheet of the Issuer (as at such date), prepared in compliance with accounting principles generally accepted in the Philippines as set forth in PFRS.

For purposes of the covenant on Interest Coverage Ratio, the ratio shall be computed using 12-months trailing EBITDA plus cash balance over interest due for the next year. “EBITDA” means, during the relevant period, the net earnings of the Issuer before deducting net interest expense, income tax, depreciation, and amortization, as determined in accordance with PFRS and based on the Issuer’s consolidated audited financial statements.

## II. OTHER INFORMATION

### ITEM 1 1st QUARTER 2025 DEVELOPMENTS

**A. New Projects or Investments in another line of business or corporation.** None

#### **B. Composition of Board of Directors**

<b>Name</b>	<b>Position</b>
Jose R. Soberano III	Chairman of the Board, CEO and President
Ma. Rosario B. Soberano	Director, Treasurer and Executive Vice-President
Jose Franco B. Soberano	Director, Chief Operating Officer and Executive Vice-President
Joanna Marie B. Soberano-Bergundthal	Director, Vice President for Marketing, Assistant Treasurer
Beauregard Grant L. Cheng	Director, Chief Financial Officer
Stephen A. Tan	Non-Executive Director
Rufino Luis Manotok	Independent Director
Ma. Aurora D. Geotina-Garcia	Independent Director
Atty. Ma. Jasmine S. Oporto	Independent Director

#### **C. Performance of the corporation or result/progress of operations.**

Please see unaudited Financial Statements and Management’s Discussion and Analysis.

**D. Declaration of Dividends.**

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 was paid on April 16, 2025.

**E. Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements.**

As of March 31, 2025, the Company holds ownership interests in the following subsidiaries and associates:

Entity	Effective Percentage of Ownership	
	2025	2024
<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) GGTT Realty Corporation (“GGTT”)	50	50
(18) Sugbo Prime Estate, Inc. (“SPE”)	64	64
(19) CLI Mac Developers, Inc. (“CLI Mac”)	60	0
(20) Cebu Luzon Ventures, Inc. (“CLVI”)	100	0
Entity	Effective Percentage of Ownership	
	2025	2024
<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	43
(22) CLI NUD Ventures, Inc. (CLI NUD)	60	

**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.

**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.

**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.

**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.

**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.

**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.

**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.

**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.

**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.

**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.

**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.

**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.

**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.

**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.

**CBLRV** was incorporated on February 21, 2020, as an undertaking between CLI and BBEL 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.

**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.

**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.

**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.

**CLI Mac** was incorporated in Feb 2025 as an undertaking between CLI and Martinez Agricultural Corporation for the development of mixed-used condominium in Cebu City. The principal place of business is located in Cebu City.

**CLVI** was incorporated in March 2025 as a wholly owned subsidiary of CLI. No definitive business plan has been established yet and its principal place of business is located in Cebu City.

**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.

**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.

**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.

**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.

## **F. Offering of rights, granting of Stock Options and corresponding plans thereof.**

The Board of Directors of Cebu Landmasters, Inc. (“Company” or “CLI”) during its Special Board meeting on October 6, 2021 has approved the Executive Stock Option Plan (ESOP) for qualified officers of CLI. This is a type of performance incentive, where options are granted to purchase the shares of the Company at a discount.

The shares that may be exercised from these options will be sourced from the treasury shares of the Company or from publicly traded shares. The objectives of the plan are a) to Attract, retain, and motivate talented and key employees; b) Encourage employees to align individual performance with Company objectives; and c) Reward employee performance with stockholdings in proportion to their contribution to the Company.

Each level has a predetermined number of shares exercisable per year with a four-year vesting period. The exercise price is the higher of Php 2.25 or current market price with a 15% discount. The current market price is computed as the average of the closing price for the last five trading days.

Shares bought under the ESOP cannot be sold, assigned, or transferred in any manner for at least 6 months from the exercise date.

Voting and dividend rights vests upon the issuance of the shares to the employees.

In April 12, 2022, CLI granted exercise of 3,349,000 and 470 CLI shares to beneficiaries/participants under CLI Executive Stock Option Plan sourced from the treasury shares of the Company at the market price of 2.98 and 3.00 respectively.

**G. Acquisition of additional mining claims or other capital assets or patents, formula, real estate.**

Not Applicable

**H. Other information, material events or happenings that may have affected or may affect market price of security.**

None

**I. Transferring of assets, except in the normal course of business.**

None

**III. OTHER NOTES FOR THE THIRD QUARTER OF 2024 OPERATIONS AND FINANCIALS**

**J. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.**

None

**K. Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period.**

None

**L. Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period.**

None

**M. New financing through loans/ issuances, repurchases and repayments of debt and equity securities.**

See Notes to Financial Statements and Management Discussion and Analysis.

**N. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.**

None

**O. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.**

None

**P. Changes in Contingent Liabilities or contingent assets since the last annual balance sheet date.**

None

**Q. Other material events or transactions during the interim period.**

None

**R. Existence of material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.**

None

**S. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.**

None.

**T. Material commitments for capital expenditures, general purpose and expected sources of funds**

For the first quarter of 2025, a total of ₱2.5 Bn was spent, with the majority, or 53.4% for investment property development.

**U. Known trends, events or uncertainties that have had or that are reasonably expected to have an impact on sales/revenues/ income from continuing operations.**

None

**V. Significant elements of income or loss that did not arise from continuing operations**

None

**W. Causes for any material change/s from period to period in one or more line items of the financial statements.**

None

**X. Seasonal aspects that had a material effect on the financial condition or results of operations.**

None

**Y. Disclosures not made under SEC Form 17C**

None

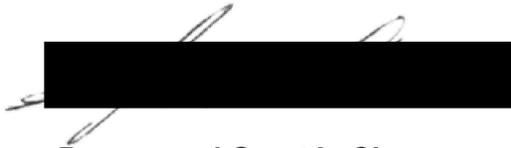
**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**ISSUER**

CEBU LANDMASTERS, INC.

**PRINCIPAL ACCOUNTING OFFICER**



**Beauregard Grant L. Cheng**  
Chief Financial Officer

**DATE**

May 15, 2025

SUBSCRIBED AND SWORN to before me, a notary public for and in the City of Cebu this MAY 15 2025, *Beauregard L. Grant Cheng* who is personally known to me and who signed the above *SEC Form 17-Q Quarterly Report* in my presence and swore as to said document that he understood the contents thereof and the same is his free and voluntary act and deed as well as the corporation represented therein.

Witness my hand and seal on the date and place above mentioned.

Doc. No. : 502 ;

Page No. : 102 ;

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  
IBP OR No. 401074 ; 12-05-2024; Cebu Chapter  
17th Flr. Park Centrale Tower, J.M. Del Mar St.,  
Cebu I T. Park, Anas, Cebu City

**STATEMENT OF MANAGEMENT APPROVAL  
OF FINANCIAL STATEMENTS**

The management of Cebu Landmasters, Inc. and Subsidiaries (the Group) is responsible for the preparation and fair presentation of the condensed consolidated interim financial statements, including the schedules attached herein, for the three months ended March 31, 2025 and 2024, 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 MAY 09 2025

SUBSCRIBED AND SWORN to before me this MAY 09 2025 at Cebu City, affiants exhibiting to me their respective Tax Identification Nos.

Doc. No. 405;  
Page No. 86;  
Book No. 16;  
Series of 2025



  
**ATTY. EDELINE O. COSICOL**  
Notary Public  
Notarial Commission No. 040-23, Cebu City  
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IBP 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

**CEBU LANDMASTERS, INC. AND SUBSIDIARIES**  
*(A Subsidiary of A B Soberano Holdings Corp.)*  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2025 AND DECEMBER 31, 2024**  
*(Amounts in Philippine Pesos)*

	Notes	March 31 2025 <u>Unaudited</u>	December 31 2024 <u>Audited</u>
<b><u>A S S E T S</u></b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	P 3,982,857,252	P 1,583,238,995
Receivables - net	5	8,926,895,130	4,481,590,912
Contract assets - net	17	23,220,833,964	20,843,159,851
Real estate inventories	6	10,907,632,423	13,080,093,413
Deposits on land for future development	7	2,845,688,638	-
Due from related parties	24	53,838,559	53,425,348
Prepayments and other current assets	8	<u>7,748,201,266</u>	<u>7,361,411,891</u>
Non-current asset held-for-sale		237,832,343	237,832,347
Total Current Assets		<u>57,923,779,575</u>	<u>47,640,752,757</u>
<b>NON-CURRENT ASSETS</b>			
Receivables - net	5	1,208,700,960	128,161,471
Contract assets - net	17	21,718,381,537	28,583,967,809
Investments in associates	9	784,400,863	784,885,021
Property and equipment - net	10	9,851,291,039	9,165,352,398
Right-of-use assets	11	1,084,968,421	1,094,503,157
Investment properties - net	12	20,780,745,590	19,444,997,083
Other non-current assets - net	13	<u>2,120,921,000</u>	<u>2,159,905,146</u>
Total Non-current Assets		<u>57,549,409,410</u>	<u>61,361,772,085</u>
<b>TOTAL ASSETS</b>		<b>P 115,473,188,985</b>	<b>P 109,002,524,842</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>CURRENT LIABILITIES</b>			
Interest-bearing loans and borrowings	14	P 6,304,618,407	10,115,412,966
Trade and other payables	16	24,721,425,131	21,052,145,479
Contract liabilities	17	( 534,509,636 )	296,265,114
Customers' deposits	17	85,332,449	90,223,203
Lease liabilities	11	42,718,157	57,922,896
Income tax payable		<u>208,824,466</u>	<u>15,988,162</u>
Total Current Liabilities		<u>30,828,408,974</u>	<u>31,627,957,820</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing loans and borrowings	14	35,259,074,294	34,536,666,965
Bonds payable	15	9,901,615,025	4,964,768,926
Trade and other payables	16	1,010,276,309	540,289,379
Lease liabilities	11	1,244,820,591	1,233,425,726
Post-employment defined benefit obligation		34,508,559	40,309,395
Deferred tax liabilities - net		<u>5,963,891,327</u>	<u>5,752,987,226</u>
Total Non-current Liabilities		<u>53,414,186,105</u>	<u>47,068,447,617</u>
Total Liabilities		<u>84,242,595,079</u>	<u>78,696,405,437</u>
<b>EQUITY</b>			
	25	-	
Capital stock		3,627,732,337	3,627,732,337
Additional paid-in capital		5,855,925,221	5,855,925,221
Share options outstanding		5,681,640	5,681,640
Treasury shares		( 732,664,604 )	( 732,664,604 )
Revaluation reserves - net		( 34,689,866 )	( 34,689,808 )
Retained earnings		<u>12,618,962,658</u>	<u>11,623,591,601</u>
Equity attributable to shareholders of Parent Company		<u>21,340,947,386</u>	<u>20,345,576,387</u>
Non-controlling interest		<u>9,889,646,520</u>	<u>9,960,543,018</u>
Total Equity		<u>31,230,593,906</u>	<u>30,306,119,405</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>P 115,473,188,985</b>	<b>P 109,002,524,842</b>

*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 PERIOD ENDED MARCH 31, 2025 AND MARCH 31, 2024**  
*(Amounts in Philippine Pesos)*

	<u>Notes</u>	<u>Jan to March 2025 Unaudited</u>	<u>Jan to March 2024 Reported</u>
<b>REVENUES</b>	17		
Sale of real estates		P 5,805,070,073	P 5,448,578,917
Interest income from real estate sales		517,979,561	696,945,780
Hotel operations		104,569,649	40,010,048
Rental		52,731,699	33,828,286
Management fees		<u>25,954,269</u>	<u>15,192,493</u>
		6,506,305,251	6,234,555,524
<b>COST OF SALES AND SERVICES</b>	18	( <u>2,981,094,629</u> )	( <u>3,117,604,171</u> )
<b>GROSS PROFIT</b>		3,525,210,622	3,116,951,353
<b>OPERATING EXPENSES</b>	19	( 1,026,008,353 )	( 937,355,532 )
<b>OTHER OPERATING INCOME</b>	20	<u>106,750,998</u>	<u>55,693,173</u>
<b>OPERATING PROFIT</b>		2,605,953,267	2,235,288,994
<b>FINANCE COSTS</b>	21	( 721,816,133 )	( 597,814,031 )
<b>FINANCE INCOME</b>		18,093,859	663,345
<b>SHARE IN NET LOSS OF ASSOCIATES</b>	9	( 484,155 )	( 87,474 )
<b>IMPAIRMENT LOSS ON FINANCIAL ASSETS</b>		140,181	-
<b>OTHER LOSSES</b>	20	( <u>374,453</u> )	( <u>355,214</u> )
<b>PROFIT BEFORE TAX</b>		1,901,512,566	1,637,695,620
<b>TAX EXPENSE</b>	23	( <u>577,038,006</u> )	( <u>456,022,933</u> )
<b>NET PROFIT</b>		<u>P 1,324,474,560</u>	<u>P 1,181,672,687</u>
<b>Net profit attributable to:</b>			
Parent Company's shareholders		P 995,371,058	P 977,793,719
Non-controlling interests		<u>329,103,502</u>	<u>203,878,968</u>
		<u>P 1,324,474,560</u>	<u>P 1,181,672,687</u>
<b>Earnings per Share:</b>			
Basic and diluted	26	<u>P 0.29</u>	<u>P 0.28</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 PERIOD ENDED MARCH 31, 2025 AND MARCH 31, 2024**  
*(Amounts in Philippine Pesos)*

	<u>Jan to March 2025 Unaudited</u>	<u>Jan to March 2024 Reported</u>
<b>NET PROFIT</b>	<b>P <u>1,324,474,560</u></b>	<b>P <u>1,181,672,687</u></b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>P <u>1,324,474,560</u></b>	<b>P <u>1,181,672,687</u></b>
<b>Total comprehensive income attributable to:</b>		
Parent Company's shareholders	<b>P <u>995,371,058</u></b>	<b>P <u>977,793,719</u></b>
Non-controlling interests	<b>P <u>329,103,502</u></b>	<b>P <u>203,878,968</u></b>
	<b>P <u>1,324,474,560</u></b>	<b>P <u>1,181,672,687</u></b>

*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 PERIOD ENDED MARCH 31, 2025 AND MARCH 31, 2024  
(Amounts in Philippine Pesos)

	Attributable to Shareholders of Parent Company											
	Capital Stock (See Note 25)		Additional Paid-in Capital (See Note 25)	Treasury Stock (See Note 25)	Share Options Outstanding (See Note 25)	Revaluation Reserves (See Note 25)	Retained Earnings (See Note 25)		Total	Total	Non-controlling Interests (See Note 25)	Total
	Common	Preferred					Appropriated	Unappropriated			Total	
Balance at January 1, 2025												
As previously reported	3,627,732,337	-	5,855,925,221	( 732,664,604 )	5,681,640	( 34,689,866 )	3,223,719,308	8,399,872,293	11,623,591,601	20,345,576,329	9,960,543,018	30,306,119,347
Transactions with owners												
Investments from non-controlling stockholders	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preferred shares	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	-	-	( 400,000,000 )	( 400,000,000 )
Stock option granted	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation of retained earnings												
Reversal of appropriations during the year	-	-	-	-	-	-	( 537,704,084 )	537,704,084	-	-	-	-
Total comprehensive income for the year												
Net profit for the year	-	-	-	-	-	-	-	995,371,058	995,371,058	995,371,058	329,103,502	1,324,474,560
Other comprehensive income	-	-	-	-	-	-	-	995,371,058	995,371,058	995,371,058	329,103,502	1,324,474,560
Balance at March 31, 2025	<b>P 3,627,732,337</b>	<b>P -</b>	<b>P 5,855,925,221</b>	<b>( P 732,664,604 )</b>	<b>P 5,681,640</b>	<b>( P 34,689,866 )</b>	<b>P 2,686,015,224</b>	<b>P 9,932,947,435</b>	<b>P 12,618,962,659</b>	<b>P 21,340,947,387</b>	<b>P 9,889,646,520</b>	<b>P 31,230,593,907</b>
Balance at January 1, 2024												
As previously reported	3,623,451,997	-	1,608,917,974	( 732,664,604 )	4,311,977	( 18,288,224 )	6,914,803,006	2,831,725,415	9,746,528,421	14,232,257,541	9,220,853,529	23,453,111,069
Transactions with owners												
Investments from non-controlling stockholders	-	-	-	-	-	-	-	-	-	-	32,500,000	32,500,000
Cash dividends	-	-	-	-	-	-	-	-	-	-	( 13,750,000 )	( 13,750,000 )
Stock option granted	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation of retained earnings												
Appropriations during the year	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of appropriations during the year	-	-	-	-	-	-	( 746,214,844 )	746,214,844	-	-	-	-
Total comprehensive income for the year												
Net profit for the year	-	-	-	-	-	-	-	977,793,719	977,793,719	977,793,719	203,878,969	1,181,672,688
Other comprehensive loss	-	-	-	-	-	-	-	977,793,719	977,793,719	977,793,719	203,878,969	1,181,672,688
Balance at March 31, 2024	<b>P 3,623,451,997</b>	<b>P -</b>	<b>P 1,608,917,974</b>	<b>( P 732,664,604 )</b>	<b>P 4,311,977</b>	<b>( P 18,288,224 )</b>	<b>P 6,168,588,162</b>	<b>P 4,555,733,978</b>	<b>P 10,724,322,140</b>	<b>P 15,210,051,260</b>	<b>P 9,443,482,498</b>	<b>P 24,653,533,757</b>

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 PERIOD ENDED MARCH 31, 2025 AND MARCH 31, 2024**  
*(Amounts in Philippine Pesos)*

	<u>Notes</u>	<u>March 31 2025</u>	<u>March 31 2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		P 1,901,512,566	P 1,637,695,620
Adjustments for:			
Interest expense on:			
Loans	21	411,125,639	574,732,046
Lease liabilities	11	20,812,734	20,280,055
Bonds	21	119,794,288	4,095,410
Amortized debt issuance cost		17,134,679	-
Depreciation and amortization	19	62,772,446	47,286,227
Interest income	4	( 14,818,888 )	( 407,418 )
Share in net losses of associates	9	484,155	87,473
Recognition of impairment loss on financial assets		( 140,181 )	-
Loss (gain) on sale of property and equipment	10	( 5,060 )	( 15,402 )
Operating profit before working capital changes		2,518,672,379	2,283,754,011
Decrease (increase) in receivables		( 5,525,703,526 )	123,786,267
Decrease (increase) in contract assets		4,487,912,159	( 4,315,535,265 )
Decrease in real estate inventories		2,172,460,989	148,554,751
Increase in prepayments and other current assets		( 383,669,713 )	387,127,401
Increase in deposits on land for future development		( 2,845,688,638 )	-
Decrease in other non-current assets		37,212,554	( 510,621,679 )
Increase (decrease) in trade and other payables		3,995,583,684	1,764,733,924
Decrease in contract liabilities		( 830,774,750 )	( 44,514,064 )
Increase in customers' deposits		( 4,890,754 )	12,978,165
Decrease in post-employment defined benefit obligation		( 5,800,894 )	-
Cash used in operations		3,615,313,490	( 149,736,489 )
Cash paid for taxes		( 176,417,261 )	( 70,320,147 )
Net Cash Generated (Used) in Operating Activities		<u>3,438,896,229</u>	<u>( 220,056,636 )</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of property and equipment		( 604,785,581 )	( 309,758,222 )
Acquisitions of investment properties		( 1,173,019,849 )	( 329,700,783 )
Investments in associates	9	-	( 10,000,000 )
Interest received	4	14,818,888	407,418
Collections of advances to related parties	24	( 413,211 )	18,193,209
Proceeds from sale of property and equipment	10	15,104	1,349,372
Acquisitions of computer software	13	( 662 )	( 2,384,250 )
Net Cash Used in Investing Activities		<u>( 1,763,385,312 )</u>	<u>( 631,893,256 )</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from availment of interest-bearing loans - net	14	4,610,054,857	4,222,126,350
Repayments of interest-bearing loans	14	( 7,729,508,362 )	( 2,232,711,420 )
Interest paid on interest-bearing loans		( 581,999,150 )	( 790,102,818 )
Cash dividends paid	25	( 400,000,000 )	( 13,750,000 )
Interest paid on lease liabilities	11	( 24,622,608 )	( 42,788,281 )
Additional investment from non-controlling shareholders	25	-	32,500,000
Interest paid on bonds		( 82,496,346 )	( 84,371,263 )
Net Cash From Financing Activities		<u>724,107,340</u>	<u>1,090,902,568</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>2,399,618,257</b>	<b>238,952,676</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<u>1,583,238,995</u>	<u>913,841,205</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>P 3,982,857,252</b>	<b>P 1,152,793,881</b>

*See Notes to Consolidated Financial Statements.*

**CEBU LANDMASTERS, INC. AND SUBSIDIARIES**  
**(A Subsidiary of A B Soberano Holdings Corp.)**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2025 AND 2024**  
**(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 2<sup>nd</sup> 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 10<sup>th</sup> 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	
		2025	2024
<i>Subsidiaries</i>			
CLI Premier Hotels Int'l. Inc. (CPH)	(a)	<b>100%</b>	100%
Cebu Landmasters Property Management, Inc. (CPM)	(b)	<b>100%</b>	100%
A.S. Fortuna Property Ventures, Inc. (ASF)	(c)	<b>100%</b>	100%
CLI Hotels and Resorts Inc. (CHR)	(d)	<b>100%</b>	100%
CLI-LITE Panglao Inc. (CLI-LITE)	(e)	<b>88%</b>	88%
Ming-mori Development Corporation (MDC)	(f)	<b>78%</b>	78%
Sugbo Prime Estate, Inc. (SPE)	(g)	<b>64%</b>	64%
BL CBP Ventures, Inc. (BL Ventures)	(h)	<b>50%</b>	50%
<i>(Forward)</i>			

Entities	Note	Effective Percentage of Ownership	
		2025	2024
<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%
CLI Mac Developers, Inc. (CLI Mac)	(s)	60%	-
Cebu Luzon Ventures, Inc. (CLVI)	(t)	100%	-
<i>Associates</i>			
Iloilo Global City Corporation (IGCC)	(u)	43%	43%
ICOM Air Corporation (ICOM)	(v)	33%	33%
Magspeak Nature Park, Inc. (Magspeak)	(w)	25%	25%
<i>Joint Venture</i>			
CLI NUD Ventures, Inc. (CLI NUD)*	(x)	30%	30%

\*see Note 9

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 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 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) CLI Mac was incorporated in Feb 2025 as an undertaking between CLI and Martinez Agricultural Corporation for the development of mixed-used condominium in Cebu City. The principal place of business is located in Cebu City.
- (t) CLVI was incorporated in March 2025 as a wholly owned subsidiary of CLI. No definitive business plan has been established yet and its principal place of business is located in Cebu City.
- (u) 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.
- (v) 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.
- (w) 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.
- (x) 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 9).

## 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.

## 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.

## **3. SEGMENT INFORMATION**

### ***3.1 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.

### ***3.2 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.

### ***3.3 Intersegment Transactions***

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation, if any.

### 3.4 Analysis of Segment Information

The following tables present revenue and profit information regarding industry segments for the periods ended, March 31, 2025 and 2024 and certain assets and liabilities information regarding segments as at March 31, 2025 and 2024:

	2025					Consolidated
	Real Estate	Hotel Operations	Rental	Management Services	Elimination	
<b>REVENUES</b>						
Sale to external customers	₱6,323,049,635	₱104,569,648	₱52,731,699	₱25,954,269	₱-	₱6,506,305,251
Intersegment sales	29,699,989	-	-	57,169,749	(86,869,738)	-
<b>Total revenues</b>	<b>6,352,749,624</b>	<b>104,569,648</b>	<b>52,731,699</b>	<b>83,124,018</b>	<b>(86,869,738)</b>	<b>6,506,305,251</b>
<b>COSTS AND EXPENSES</b>						
Costs of sales and services	2,882,904,729	81,050,273	17,229,612	16,098,602	(16,188,588)	2,981,094,628
Operating expenses	1,014,317,619	60,797,211	4,496,303	(1,716,465)	(51,886,319)	1,026,008,349
Impairment Loss	-	-	-	(140,181)	-	(140,181)
<b>Total costs and expenses</b>	<b>3,897,222,348</b>	<b>141,847,484</b>	<b>21,725,915</b>	<b>14,241,956</b>	<b>(68,074,907)</b>	<b>4,006,962,796</b>
<b>Segment results</b>	<b>₱ 2,455,527,276</b>	<b>(₱32,277,836)</b>	<b>₱31,005,784</b>	<b>₱68,882,062</b>	<b>(₱18,794,831)</b>	<b>₱2,499,342,455</b>
Other operating income						106,750,996
Finance costs						(721,816,133)
Share in net loss of associates						(484,155)
Finance income						18,093,860
Other losses						(374,455)
Tax expense						(577,038,006)
<b>Net profit</b>						<b>₱1,324,474,562</b>
<b>ASSETS AND LIABILITIES</b>						
<b>Segment assets</b>	<b>₱103,630,677,680</b>	<b>₱3,773,955,302</b>	<b>₱20,845,641,307</b>	<b>₱166,281,543</b>	<b>(₱12,903,366,845)</b>	<b>₱115,473,188,987</b>
<b>Segment liabilities</b>	<b>₱82,229,850,783</b>	<b>₱3,287,870,590</b>	<b>₱104,297,333</b>	<b>₱124,835,800</b>	<b>(₱1,504,259,425)</b>	<b>₱84,242,595,081</b>
<b>2024</b>						
	Real Estate	Hotel Operations	Rental	Management Services	Elimination	Consolidated
<b>REVENUES</b>						
Sale to external customers	₱6,145,524,697	₱40,010,048	₱33,828,286	₱15,192,493	₱-	₱6,234,555,524
Intersegment sales	-	-	5,142,237	37,606,688	(42,748,925)	-
<b>Total revenues</b>	<b>6,145,524,697</b>	<b>40,010,048</b>	<b>38,970,523</b>	<b>52,799,181</b>	<b>(42,748,925)</b>	<b>6,234,555,524</b>
<b>COSTS AND EXPENSES</b>						
Costs of sales and services	3,068,436,758	18,279,311	21,780,564	9,107,538	-	3,117,604,171
Operating expenses	923,643,048	48,491,962	2,601,651	3,740,847	(41,121,976)	937,355,532
<b>Total costs and expenses</b>	<b>3,992,079,806</b>	<b>66,771,273</b>	<b>24,382,215</b>	<b>12,848,385</b>	<b>(41,121,976)</b>	<b>4,054,959,703</b>
<b>Segment results</b>	<b>₱2,153,444,891</b>	<b>(₱26,761,225)</b>	<b>₱14,588,308</b>	<b>₱39,950,796</b>	<b>(₱1,626,949)</b>	<b>₱2,179,595,821</b>
Other operating income						55,693,173
Finance costs						(597,814,031)
Share in net loss of associates						(87,474)
Finance income						663,346
Other losses						(355,215)
Tax expense						(456,022,933)
<b>Net profit</b>						<b>₱1,181,672,687</b>
<b>ASSETS AND LIABILITIES</b>						
<b>Segment assets</b>	<b>₱96,399,348,229</b>	<b>₱3,243,914,426</b>	<b>₱18,613,424,408</b>	<b>₱134,042,021</b>	<b>(₱10,857,666,047)</b>	<b>₱107,533,063,037</b>
<b>Segment liabilities</b>	<b>₱84,226,852,542</b>	<b>₱3,325,567,459</b>	<b>₱104,485,094</b>	<b>₱124,835,800</b>	<b>(₱1,505,556,454)</b>	<b>₱86,276,184,441</b>

The segments are further analyzed based on their geographical location as shown in Note 17.1.

Sales to any of the Group's major customers did not exceed 10% of the Group's revenues in all the years presented.

#### 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	March 31, 2025	December 31, 2024
Cash on hand	₱7,027,519	₱5,803,968
Cash in banks	1,703,688,888	1,351,646,121
Short-term placements	2,272,140,845	225,788,906
	<b>₱3,982,857,252</b>	<b>₱1,583,238,995</b>

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 periods and earn effective interest per annum as shown below.

	2025	2024
Term	7 to 38 days	14 to 60 days
Effective interest rate	3% to 5.675%	1.5% to 5.6%

Interest income earned from cash and cash equivalents amounted to ₱14,818,888 and ₱407,419 in March 31, 2025 and 2024, respectively, are presented as Finance Income in the consolidated statements of Profit or Loss.

#### 5. RECEIVABLES

This account includes the following:

	Notes	March 31, 2025	December 31, 2024
Contract receivables:			
Third parties		<b>₱9,120,887,393</b>	₱2,547,380,421
	24.2,		
	24.3		
Related parties	24.4	<b>685,584</b>	1,083,735,784
Receivable from contractors		<b>200,451,316</b>	249,943,611
Retention receivable and suppliers		<b>241,751,594</b>	228,839,768
Management fee receivable		<b>168,780,721</b>	151,382,428
Rent receivable		<b>105,621,619</b>	90,307,660
Advances to officers and employees		<b>52,038,561</b>	50,171,519
Receivable from insurance		<b>50,087,604</b>	9,473,355
Receivable from hotel operations		<b>41,807,003</b>	31,563,871
Other receivables		<b>155,921,351</b>	169,390,622
		<b>10,138,032,746</b>	4,612,189,039
Allowance for impairment		<b>(2,436,656)</b>	(2,436,656)
		<b>₱10,135,596,090</b>	<b>₱4,609,752,383</b>

Receivables are presented in the consolidated statements of financial position as shown below:

	March 31, 2025	December 31, 2024
Current	<b>₱8,926,895,130</b>	₱4,481,590,912
Non-current	<b>1,208,700,960</b>	128,161,471
	<b>₱10,135,596,090</b>	₱4,609,752,383

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 ₱160,924,783 and ₱7,975,990 as at March 31, 2025 and December 31, 2024, respectively.

The Parent Company has day-one loss on noninterest-bearing contract receivables, net of amortization of day one loss, amounting to ₱152,948,792, and ₱1,293,480 is presented as part of Finance Costs in the 2025, and 2024 consolidated statements of profit or loss, respectively (see Note 21).

Shown below is the aging of contract receivables as of March 31, 2025.

	March 31, 2025
Not yet due	<b>₱8,680,781,026</b>
Less than 30 days	<b>30,940,765</b>
More than 30 days but less than 60 days	<b>30,262,127</b>
More than 60 days but less than 90 days	<b>5,174,320</b>
More than 90 days but less than 120 days	<b>4,745,747</b>
More than 120 days	<b>369,668,992</b>
	<b>₱9,121,572,977</b>

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 March 31, 2025 and December 31, 2024 is shown below.

	March 31, 2025	December 31, 2024
Balance at beginning of year	₱2,436,656	₱2,242,262
Impairment losses	140,181	566,025
Write-off	(140,181)	(371,631)
Balance at end of year	<u>₱2,436,656</u>	<u>₱2,436,656</u>

## 6. REAL ESTATE INVENTORIES

This account includes the following inventories, which are all at cost.

	March 31, 2025	December 31, 2024
Note		
Condominium units	₱714,509,612	₱705,579,267
Subdivision units	29,481,336	33,349,096
	<u>743,990,948</u>	<u>738,928,363</u>
Construction-in-progress (CIP):		
Land development costs	5,707,566,600	6,621,084,590
Condominium building costs	2,139,355,346	3,141,894,900
Housing costs	1,462,473,218	1,723,334,448
	<u>9,309,395,164</u>	<u>11,486,313,938</u>
Raw land inventory	854,246,311	854,851,112
	<u>₱ 10,907,632,423</u>	<u>₱13,080,093,413</u>

An analysis of the cost of real estate inventory included in cost of sales is presented in Note 18.

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, the Group reclassified certain investment properties to real estate inventories (see Note 12).

As at March 31, 2025 and December 31, 2024, real estate inventories totaling to ₱8,324,183,659, are used as collateral for certain interest-bearing loans and borrowings of the Parent Company (see Note 14.1).

## 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. A reconciliation of the deposits on land for future development is presented below.

	Note	2025
Balance at beginning of year		₱-
Transferred to raw land inventory		-
Additions		2,845,688,638
Balance at end of year		₱2,845,688,638

The deposits on land for future development is presented as current assets in the March 31, 2025 consolidated statement of financial position.

## 8. PREPAYMENTS AND OTHER CURRENT ASSETS

This account includes the following:

	Note	March 31, 2025	December 31, 2024
Advances to subcontractors		₱2,542,604,825	₱2,584,276,483
Input VAT and deferred input VAT		1,833,137,311	1,603,401,411
Deferred commissions		1,598,490,020	1,457,932,918
Prepaid taxes		683,923,169	680,803,508
Advances to suppliers		563,443,900	581,094,314
Short-term investments		397,638,534	344,058,432
Prepaid expenses		111,569,474	94,807,103
Others		17,394,033	15,037,722
		₱7,748,201,266	₱7,361,411,891

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.

Prepaid expenses include advance payment for insurance and rent.

9. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE/  
NON-CURRENT ASSET HELD FOR SALE (NCAHFS)

9.1 Breakdown of Carrying Amounts

A reconciliation of the carrying amounts of investments in associates at the beginning and end of March 31, 2025 and December 31, 2024 is shown below.

	March 31, 2025	December 31, 2024
Balance at beginning of year	₱784,885,021	₱142,489,432
Additional investments	-	883,107,114
Reclassification		(237,832,343)
Share in net gain (loss) during the year	(484,155)	(2,879,182)
<b>Balance at end of year</b>	<b>₱784,400,866</b>	<b>₱784,885,021</b>

An analysis of the carrying amount of the Parent Company's investments in associates and a joint venture as at March 31, 2025 and December 31, 2024 is shown below.

	Associates		Join Venture		Total
	IGCC	Magspeak	ICOM	CLI NUD	
March 31, 2025					
Cost					
Balance at beginning of year	₱8,500,000	₱30,735,096	₱140,300,934	₱635,274,769	₱814,810,799
Additional investments	-	-	-	-	-
Reclassification to NCAHFS	-	-	-	-	-
<b>Balance at end of year</b>	<b>8,500,000</b>	<b>30,735,096</b>	<b>140,300,934</b>	<b>635,274,769</b>	<b>814,810,801</b>
Accumulated equity in net losses					
Balance at beginning of year	₱(1,231,930)	₱(4,517,832)	₱(21,280,227)	₱(2,895,788)	₱(29,925,777)
Equity in net gains (losses) during the year	125,909	(782,941)	-	172,877	(484,155)
<b>Balance at end of year</b>	<b>(1,106,021)</b>	<b>(5,300,773)</b>	<b>(21,280,227)</b>	<b>(2,722,911)</b>	<b>(30,409,932)</b>
<b>Carrying Amount</b>	<b>₱7,393,979</b>	<b>₱25,434,323</b>	<b>₱119,020,707</b>	<b>₱632,551,858</b>	<b>₱784,400,867</b>
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)
<b>Balance at end of year</b>	<b>8,500,000</b>	<b>30,735,096</b>	<b>140,300,934</b>	<b>635,274,769</b>	<b>814,810,799</b>
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	(1,231,930)	(697,140)	1,945,677	(2,895,787)	(2,879,180)
<b>Balance at end of year</b>	<b>(1,231,930)</b>	<b>(4,517,832)</b>	<b>(21,280,229)</b>	<b>(2,895,787)</b>	<b>(29,925,778)</b>
<b>Carrying Amount</b>	<b>₱7,268,070</b>	<b>₱26,217,264</b>	<b>₱119,020,705</b>	<b>₱632,378,982</b>	<b>₱784,885,021</b>

Shares in net losses of associates totaling ₱484,155 and ₱87,473 were recognized in 2025 and 2024, respectively, in the consolidated statements of profit or loss. There were no dividends received from the Group's associates in 2025 and 2024.

## 9.2 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 ₱237,832,343 was presented as Non-current Asset Held for Sale in the 2025 and 2024 consolidated statement of financial position and was presented under the Real Estate segment in Note 3.4. The Group did not recognize any losses in relation to this transaction in 2025.

## 10. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2025 and 2024 are shown below.

	Land	Building and Parking Units	Operating Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
March 31, 2025								
Cost	₱359,058,133	₱905,825,233	₱144,023,284	₱77,636,088	₱51,442,529	₱16,842,695	₱8,687,989,570	₱10,242,817,532
Accumulated depreciation and amortization	-	(193,002,566)	(91,755,367)	(52,558,142)	(40,181,752)	(14,028,666)	-	(391,526,493)
<b>Net carrying amount</b>	<b>₱359,058,133</b>	<b>₱712,822,667</b>	<b>₱52,267,917</b>	<b>₱25,077,946</b>	<b>₱11,260,777</b>	<b>₱2,814,029</b>	<b>₱8,687,989,570</b>	<b>₱9,851,291,039</b>
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)
<b>Net carrying amount</b>	<b>₱359,058,133</b>	<b>₱420,199,492</b>	<b>₱51,966,704</b>	<b>₱22,070,526</b>	<b>₱11,628,492</b>	<b>₱3,304,843</b>	<b>₱8,297,124,208</b>	<b>₱9,165,352,398</b>

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2025 and 2024 is as follows:

	Land	Building and Parking Units	Office Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
Balance at January 1, 2025 net of accumulated depreciation and amortization	₱359,058,133	₱420,199,494	₱51,966,704	₱22,070,528	₱11,628,492	₱3,304,843	₱8,297,124,208	₱9,165,352,398
Additions	-	318,753,221	4,837,243	4,969,916	1,019,095	-	390,865,362	720,444,837
Disposals	-	-	(205,156)	-	-	-	-	(205,156)
Depreciation and amortization for the year	-	(26,130,048)	(4,330,876)	(1,962,498)	(1,386,810)	(490,814)	-	(34,301,046)
<b>Balance at March 31, 2025 net of accumulated depreciation and amortization</b>	<b>₱359,058,133</b>	<b>₱712,822,667</b>	<b>₱52,267,915</b>	<b>₱25,077,946</b>	<b>₱11,260,777</b>	<b>₱2,814,029</b>	<b>₱8,687,989,570</b>	<b>₱9,851,291,039</b>
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)
<b>Balance at December 31, 2024 net of accumulated depreciation and amortization</b>	<b>₱359,058,133</b>	<b>₱420,199,492</b>	<b>₱51,966,704</b>	<b>₱22,070,526</b>	<b>₱11,628,492</b>	<b>₱3,304,843</b>	<b>₱8,297,124,208</b>	<b>₱9,165,352,398</b>

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 of loss (see Note 19).

The Group reclassified real estate inventory and investment property to Building with carrying amount of ₱2,200,601 and ₱312,500 in 2024. These properties are being used as staff houses for the Group's employees.

Borrowing costs that are capitalized as part of property and equipment amounted to ₱82,412,538 and ₱814,000,895 in March 31, 2025 and December 31, 2024, respectively, which represents the allocated costs incurred on loans and corporate notes obtained to fund the construction projects (see Note 14).

Certain land, building, office equipment, furniture and fixtures and construction in progress with an aggregate carrying amount of ₱8,709,704,210 and ₱8,192,601,799 as at March 31, 2025 and December 31, 2024, respectively, are used as collateral for certain interest-bearing loans of the Group (see Note 14.1).

As at March 31, 2025 and December 31, 2024, the cost of the Group's fully-depreciated property and equipment that are still used in operations amounted to ₱144,489,162 and ₱128,005,577, respectively.

## **11. 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 and on the subsequent page describe the nature of the Group's leasing activities by type of right-of-use asset recognized in the 2025 and 2024 consolidated statement of financial position.

	Number of right-of-use assets leased	Lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
<b>March 31, 2025</b>					
Land	4	19 to 36 years	-	-	-
Office space	2	2 years	1	-	1
<b>December 31, 2024</b>					
Land	4	19 to 36 years	-	-	-
Office space	2	2 years	1	-	1

### 11.1 Right-of-use Assets

The carrying amounts of the Group's right-of-use assets as at March 31, 2025 and December 31, 2024 and the movements during the year are shown as follows:

	Land	Office Space	Total
<b>March 31, 2025</b>			
Cost			
Balance at beginning of year	₱1,268,208,672	₱15,877,921	₱1,284,086,593
Additions	-	-	-
Balance at end of year	1,268,208,672	15,877,921	1,284,086,593
Accumulated amortization			
Balance at beginning of year	174,997,464	14,585,972	189,583,436
Amortization for the year	9,104,087	430,649	9,534,736
Balance at end of year	184,101,551	15,016,621	199,118,172
<b>Carrying amount at March 31</b>	<b>₱1,084,107,121</b>	<b>₱861,300</b>	<b>₱1,084,968,421</b>
<b>December 31, 2024</b>			
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	1,268,208,672	15,877,921	1,284,086,593
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	174,997,465	14,585,971	189,583,436
<b>Carrying amount at March 31</b>	<b>₱1,093,211,207</b>	<b>₱1,291,950</b>	<b>₱1,094,503,157</b>

### 11.2 Lease Liabilities

Lease liabilities presented in the consolidated statements of financial position as follows:

	March 31, 2025	December 31, 2024
Current	₱42,718,157	₱57,922,896
Non-current	1,244,820,591	1,233,425,726
	<b>₱1,287,538,748</b>	<b>₱1,291,348,622</b>

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.

	2025	2024
Gross payments		
Within one year	<b>₱58,366,449</b>	57,922,896
From one to two years	<b>51,574,808</b>	70,800,153
From two to three years	<b>73,030,600</b>	72,544,815
From three to four years	<b>74,792,144</b>	74,282,070
From four to five years	<b>76,879,908</b>	76,344,330
More than five years	<b>3,465,340,755</b>	3,476,206,634
	<b>3,799,984,665</b>	3,828,100,898
Total finance charges	<b>(2,512,445,917)</b>	(2,536,752,276)
Net present value	<b>₱1,287,538,748</b>	1,291,348,622

### ***11.3 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 19).

### ***11.4 Additional Profit or Loss and Cash Flow Information***

The total cash outflow in respect of leases amounted to ₱24,622,608, and ₱53,505,133 in March 31, 2025 and 2024, respectively. 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 21).

## **12. 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 March 31, 2025 and December 31, 2024 are shown below.

	Retail Building	Condominium Units	Parking Units	Land	Constructions in Progress	Total
March 31, 2025						
Costs	₱1,345,643,285	₱915,022,958	₱119,341,334	₱2,682,440,698	₱16,126,624,035	₱21,189,072,310
Accumulated depreciation	(192,511,444)	(191,699,950)	(24,115,326)	-	-	(408,326,720)
<b>Carrying amount</b>	<b>₱1,153,131,841</b>	<b>₱723,323,008</b>	<b>₱95,226,008</b>	<b>₱2,682,440,698</b>	<b>₱16,126,624,035</b>	<b>₱20,780,745,590</b>
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)
<b>Carrying amount</b>	<b>₱1,162,281,283</b>	<b>₱727,680,157</b>	<b>₱96,138,718</b>	<b>₱2,848,655,534</b>	<b>₱14,610,241,391</b>	<b>₱19,444,997,083</b>

A reconciliation of the carrying amounts of investment properties at the beginning and end of March 31, 2025 and December 31, 2024 is as shown below:

	Retail Building	Condominium Units	Parking Units	Land	Constructions in Progress	Total
Balance at January 1, 2025, net of accumulated depreciation	₱1,162,281,282	₱727,680,157	₱96,138,718	₱2,848,655,534	₱14,610,241,391	₱19,444,997,082
Additions	-	2,550,000	-	15,000,000	1,973,414,838	1,990,964,838
Reclassifications to other accounts	-	-	-	(181,214,836)	(457,032,194)	(638,247,030)
Depreciation during the year	(9,149,441)	(6,907,148)	(912,709)	-	-	(16,969,298)
Balance at March 31, 2025, net of accumulated depreciation	₱1,153,131,842	₱723,323,009	₱95,226,008	₱2,682,440,698	₱16,126,624,035	₱20,780,745,590
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	(36,580,151)	(27,581,151)	(3,702,931)	-	-	(67,864,233)
Balance at December 31, 2024, net of accumulated depreciation	₱1,162,281,283	₱727,680,157	₱96,138,718	₱2,848,655,534	₱14,610,241,391	₱19,444,997,083

In 2025, the Group reclassified certain investment properties with aggregate carrying amount of ₱337,289,479 and ₱301,057,554 to real estate inventory and property and equipment, respectively (see Notes 6 and 10).

In 2024, the Group reclassified certain investment properties with aggregate carrying amount of P1,291,548,786 to real estate inventories (see Note 6) and P2,536,188 to property and equipment (see Note 10). 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 ₱134,966,780 and ₱764,496,562 in March 31, 2025 and December 31, 2024, respectively, which represents the specific borrowing costs incurred on loans and corporate notes obtained to fund the construction projects (see Note 14).

Income and expenses from investment properties in period March 31, 2025 and 2024 are presented below.

	Notes	March 31, 2025	March 31, 2024
Rental income:	17.1	₱52,731,700	₱33,828,286
Cost on rental services:	18		
Depreciation		16,969,297	21,780,564
Others		260,315	-
		₱35,502,088	₱21,780,564

The depreciation and other expenses are included as part of Cost of Sales and Services in the consolidated statements of profit or loss in 2025 and 2024. (see Note 18).

Investment properties have a total fair value of ₱22,139,376,787 as at December 31, 2024 based on the appraisal done by an independent expert. 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 March 31, 2025.

Investment properties with a total carrying amount of ₱7,971,926,104 and ₱8,953,443,666 as at March 31, 2025 and December 31, 2024, respectively, are used as collateral for certain interest-bearing loans and borrowings of the Parent Company (see Note 14.1).

### 13. OTHER NON-CURRENT ASSETS

This account includes the following:

Note	March 31, 2025	December 21, 2024
Deferred commissions	<b>₱1,397,501,988</b>	₱1,443,535,690
Advances to subcontractors	<b>521,781,528</b>	521,781,528
Refundable deposits	<b>171,664,477</b>	162,843,330
Computer software - net	<b>19,619,004</b>	21,390,595
Investment in equity securities	<b>9,375,002</b>	9,375,002
Others	<b>979,001</b>	979,001
	<b>₱2,120,921,000</b>	₱2,159,905,146

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 March 31, 2025 and December 31, 2024 are shown below.

	March 31, 2025	December 31, 2024
Cost	<b>₱65,252,707</b>	₱65,252,045
Accumulated amortization	<b>(45,633,703)</b>	(47,308,397)
Carrying amount	<b>₱19,619,004</b>	₱21,390,595

The total additions to computer software amounted to ₱662 and ₱3,446,947 in March 31, 2025, and December 31, 2024, respectively. The amortization expense on the computer software amounted to ₱1,772,253, and ₱1,776,068 in March 31, 2025 and 2024, respectively, and is presented as part of Depreciation and amortization under Operating Expenses (see Note 19).

#### 14. 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 shown below:

	Note	March 31, 2025	December 31, 2024
Current:			
Bank loans	14.1	₱4,147,624,361	₱7,577,912,966
Corporate notes	14.2	2,156,994,046	2,537,500,000
		<b>6,304,618,407</b>	10,115,412,966
Non-current:			
Bank loans	14.1	28,008,052,789	27,299,331,139
Corporate notes	14.2	7,251,021,505	7,237,335,826
		<b>35,259,074,294</b>	34,536,666,965
		<b>₱41,563,692,701</b>	₱44,652,079,931

##### 14.1 Bank Loans

An analysis of the movements in the balance of interest-bearing loans is presented below.

	March 31, 2025	December 31, 2024
Balance at beginning of year	₱34,877,244,105	₱30,947,135,232
Proceeds and drawdowns - net	4,610,054,855	17,475,143,091
Repayments	(7,356,591,695)	(13,652,751,069)
Amortization of debt issue costs	24,969,883	107,716,851
Balance at end of year	<b>₱32,155,677,148</b>	₱34,877,244,105

A reconciliation of the unamortized debt issue cost at the beginning and end of 2025 and 2024 is shown below.

	March 31, 2025	December 31, 2024
Balance at beginning of year	₱150,494,325	₱163,081,681
Debt issue costs from new loans	7,576,217	95,129,495
Amortization of debt issue cost	(24,969,883)	(107,716,851)
Balance at end of the year	<b>₱133,100,661</b>	₱150,494,325

The loans bear interest rates per annum ranging from 5% to 9.50% in 2025 and 2024. 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 ₱25,005,813,972 and ₱25,749,272,420 as at March 31, 2025 and December 31, 2024, respectively, are included in the Real Estate Inventories, Property and Equipment and Investment Properties accounts in the consolidated statements of financial position (see Notes 6, 10 and 12).

The total interest incurred from the foregoing loans, including amortization of debt issuance cost, amounted to ₱554,366,818 and ₱648,065,106 in March 31, 2025 and 2024, respectively, and of which ₱172,653,747 and ₱108,065,518, respectively were capitalized as part of construction costs of investment property and property and equipment (see Notes 10 and 12). The capitalization rate used in determining the amount of interest charges qualified for capitalization ranges from 5.00% to 9.50% in 2025 and 2024.

#### 14.2 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.

	<b>March 31, 2025</b>	December 31, 2024
Balance at beginning of year	<b>₱9,774,835,826</b>	₱11,241,710,504
Repayments	<b>(372,916,667)</b>	(1,491,666,667)
Amortization of debt issue cost	<b>6,096,391</b>	24,791,989
Balance at end of the year	<b>₱9,408,015,551</b>	₱9,774,835,826

The NFA is composed of the following tranches:

<u>NFA</u>	<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	1,000,000,000
				<b><u>13,000,000,000</u></b>
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	3,000,000,000
				<b><u>5,000,000,000</u></b>

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>

The debt issuance cost amortization in March 31, 2025 and December 31, 2024 amounted to ₱6,096,391 and ₱24,791,989, respectively. The debt issuance costs are deducted from the fair value or issue price of the note.

A reconciliation of the unamortized debt issue costs of corporate notes at the beginning and end of 2025 and 2024 is shown below.

	March 31, 2025	December 31, 2024
Balance at beginning of year	₱52,842,745	₱77,634,734
Amortization of debt issue costs	(6,096,391)	(24,791,989)
Balance at end of year	<u>₱46,746,354</u>	<u>₱52,842,745</u>

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 ₱105,204,415 and ₱173,011,340 in 2025 and 2024, respectively, of which ₱62,824,316 and ₱138,278,883 was capitalized as part of properties and equipment and investment properties in 2025 and 2024, respectively (see Notes 10 and 12).

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 March 31, 2025 and December 31, 2024, the Parent Company 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 ₱424,093,169 and ₱574,732,045 in March 31, 2025 and 2024, respectively (see Note 21).

## 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 March 21, 2025, the Parent Company issued the second tranche of its sustainability linked 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 D – maturity of 3 years and a coupon rate of 6.6348%; and,
- Series E – maturity of 5 years and a coupon rate of 6.9157%.

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 2025, the Company recognized bond issuance costs amounting to ₱67,321,050 in relation to the issuance of the second tranche of bonds.

In 2022, the Parent Company recognized bond issuance costs amounting to ₱73,372,369 in relation to the issuance of the first tranche of the bonds. The carrying amount of first and second tranche bond issuance costs is ₱31,063,925 as at March 31, 2025.

An analysis of the movement in the balance of bonds payable is presented below:

	<b>March 31, 2025</b>	December 31, 2024
Balance at beginning of year	<b>₱4,964,768,927</b>	₱4,947,822,521
Proceeds and drawdowns – net	<b>5,000,000,000</b>	–
Debt issue cost from new bonds	<b>(67,321,051)</b>	–
Amortization of debt issue cost	<b>4,167,149</b>	16,946,406
Balance at end of year	<b>₱9,901,615,025</b>	₱4,964,768,927

The total interest incurred related to the bonds, including amortization of bond issuance cost, amounted to ₱123,961,437 and ₱7,025,827 in 2025 and 2024, respectively.

The capitalization rate used in determining the amount of interest charges qualified for capitalization ranges from 6.42% to 7.36% and from 6.42% to 7.36% in March 31, 2025 and December 31, 2024, 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 March 31, 2025, the Parent Company is compliant with the requirements.

## 16. TRADE AND OTHER PAYABLES

The current portion of trade and other payables is composed of the following:

	Notes	March 31, 2025	December 31, 2024
Unbilled construction costs		<b>₱10,551,079,232</b>	₱10,217,417,458
Trade payables		<b>7,181,021,582</b>	4,528,283,824
Sales commissions payable		<b>4,325,703,248</b>	4,074,237,298
Retention payable		<b>1,132,006,190</b>	1,012,505,883
Output VAT		<b>454,331,445</b>	49,127,314
Accrued expenses	14	<b>281,902,804</b>	338,604,909
Dividends payable	25.6	<b>254,555,030</b>	339,406,706
Government-related obligations		<b>82,637,823</b>	56,138,657
Advanced Rental – Current		<b>71,249</b>	-
Other payables		<b>458,116,348</b>	436,423,430
		<b>₱24,721,425,131</b>	₱21,052,145,479

The non-current portion of trade and other payables is composed of the following:

	March 31, 2025	December 31, 2024
Retention payable	<b>₱479,428,612</b>	₱479,428,609
Advance rental	<b>53,034,271</b>	46,444,768
Other payables	<b>477,813,426</b>	14,416,002
	<b>₱1,010,276,309</b>	₱540,289,379

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 pertain to noninterest-bearing advances of certain subsidiaries from non-controlling shareholders.

## 17. REVENUE FROM CONTRACTS WITH CUSTOMERS AND CONTRACT BALANCES

### 17.1 Disaggregation of Contract Revenues

The Group derives revenue from the transfer of goods and services over time and at a point in time. Below is the revenue of its major product lines and in geographical areas for the period March 31, 2025:

	Cebu	Mindanao	Visayas	Luzon	Total
<b>March 31, 2025</b>					
<i>Sale of real estates</i>					
Over time	₱1,843,904,071	₱1,796,204,439	₱580,231,745	₱125,363,763	₱4,345,704,018
Point of time	174,332,411	36,060,664	229,802,541	1,350,000	441,545,616
	2,018,236,482	1,832,265,103	810,034,286	126,713,763	4,787,249,634
<i>Hotel operations</i>					
Over time	66,257,919	-	38,311,730	-	104,569,649
<i>Lease of properties</i>					
Over time	48,544,460	4,187,239	-	-	52,731,699
<i>Render of management services</i>					
Over time	22,175,654	2,715,738	1,062,877	-	25,954,269
<i>Lot Sale</i>					
Over time	-	1,535,800,000	-	-	1,535,800,000
	₱2,115,214,515	₱3,374,968,080	₱849,408,893	₱126,713,763	₱6,506,305,251

Below is the revenue of its major product lines and in geographical areas for the period March 31, 2024:

	Cebu	Mindanao	Visayas	Luzon	Total
<b>March 31, 2024</b>					
<i>Sale of real estates</i>					
Over time	₱2,000,865,950	₱1,763,656,755	₱1,246,977,585	₱295,345,019	₱5,306,845,309
At a point in time	425,058,965	408,187,649	2,908,649	2,524,125	838,679,388
	2,425,924,915	2,171,844,404	1,249,886,234	297,869,144	6,145,524,697
<i>Hotel operations</i>					
Over time	40,010,048	-	-	-	40,010,048
<i>Lease of properties</i>					
Over time	33,740,198	88,088	-	-	33,828,286
<i>Render of management services</i>					
Over time	18,138,596	3,126,769	(6,072,872)	-	15,192,493
	₱2,517,813,757	₱2,517,813,757	₱1,243,813,362	₱297,869,159	₱6,234,555,524

The sale of real estate units includes significant financing component in accordance with PFRS 15 (Note 2.b.ii).

### 17.2 Contract Balance

The breakdown of contract balances is as follows:

	March 31, 2025	December 31, 2024
Contract assets – net	₱44,939,215,501	₱49,427,127,660
Contract liabilities	534,509,636	(296,265,114)
Net	₱45,473,725,137	₱49,130,862,546

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 statement of financial position is based on the Group's estimate of project completion, hence, any change in estimated completion period affects transfers to contract 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 26). The Group's contract assets as at March 31, 2025 and December 31, 2024 are presented in the consolidated statements of the financial position as follows:

	<b>March 31, 2025</b>	December 31, 2024
Current	<b>₱23,220,833,964</b>	₱20,843,159,851
Non-current	<b>21,718,381,537</b>	28,583,967,809
	<b>₱44,939,215,501</b>	₱49,427,127,660

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 not yet met are accounted for as Customers' Deposits in the consolidated statements of financial position.

A summary of the Group's contract liabilities and customers' deposits is presented below.

	<b>March 31, 2025</b>	December 31, 2024
Contract liabilities	<b>₱534,509,636</b>	₱449,338,207
Customers' deposits	<b>85,332,449</b>	90,223,203
	<b>₱619,842,085</b>	₱539,561,410

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.

18. **COST OF SALES AND SERVICES**

Components of costs of sales and services are analyzed below.

	Notes	March 31, 2025	March 31, 2024
Cost of real estate sales:			
Contracted services	19	<b>₱1,947,971,744</b>	₱2,543,626,843
Land	19	<b>802,631,224</b>	432,962,437
Other costs		<b>116,113,174</b>	91,847,478
		<b>₱2,866,716,142</b>	₱3,068,436,758
Cost of rental services:			
Depreciation		<b>16,969,297</b>	21,780,564
Others	12	<b>260,315</b>	-
		<b>17,229,612</b>	21,780,564
Cost of management services:			
Salaries and wages		<b>16,098,602</b>	9,107,538
		<b>16,098,602</b>	9,107,538
Cost of hotel operations:			
Salaries and wages		<b>18,991,028</b>	6,300,379
Materials and supplies		<b>15,934,658</b>	4,628,633
Advertising and Promotions		-	2,649,841
Utilities		<b>12,496,384</b>	2,111,322
Others		<b>33,628,203</b>	2,589,136
		<b>81,050,273</b>	₱18,279,311
		<b>₱2,981,094,629</b>	₱3,117,604,171

19. COSTS AND EXPENSES BY NATURE

Details of costs and expenses by nature are shown below.

	Notes	March 31, 2025	March 31, 2024
Contracted services	18	<b>₱2,024,082,670</b>	₱2,608,857,413
Commissions	8	<b>345,579,694</b>	458,889,674
Land	18	<b>802,631,224</b>	432,962,437
Salaries and employee benefits	22.1	<b>182,484,114</b>	133,793,717
Taxes and licenses		<b>235,903,760</b>	128,966,749
Hotel operations		<b>81,050,273</b>	18,279,311
Depreciation and amortization	10, 11, 12, 13	<b>46,818,750</b>	47,286,226
Advertising		<b>40,663,556</b>	28,182,196
Utilities		<b>26,806,870</b>	22,187,954
Repairs and maintenance		<b>24,551,612</b>	14,238,176
Security services		<b>22,407,592</b>	8,423,748
Transportation and travel		<b>11,632,360</b>	10,613,132
Donations		<b>10,208,589</b>	11,494,500
Supplies		<b>9,447,482</b>	4,330,077
Rent	11.3, 27.2	<b>8,740,052</b>	10,900,921
Insurance		<b>5,796,187</b>	9,428,970
Management fee		<b>5,701,795</b>	2,484,418
Representation and entertainment		<b>5,449,788</b>	6,650,688
Association dues		<b>5,108,963</b>	12,924,728
Subscription and membership dues		<b>5,077,108</b>	8,142,266
Professional and legal fees		<b>4,432,036</b>	7,558,383
Penalties		<b>4,389,363</b>	-
Communications		<b>2,887,336</b>	3,258,822
Trainings and seminars		<b>379,109</b>	458,572
Move in fee expenses		<b>(711,778)</b>	-
Others		<b>95,584,473</b>	64,646,625
		<b>₱4,007,102,982</b>	₱4,054,959,703

These costs and expenses are classified in the consolidated statements of profit or loss as follows:

	Note	March 31, 2025	March 31, 2024
Cost of sales and services	18	<b>₱2,981,094,629</b>	₱3,117,604,171
Operating expenses	19	<b>1,026,008,353</b>	937,355,532
		<b>₱4,007,102,982</b>	₱4,054,959,703

## 20. OTHER OPERATING INCOME AND OTHER LOSSES

### *20.1 Other Operating Income*

This account is composed of the following:

	March 31, 2025	March 31, 2024
Refund from cancelled units	<b>₱61,350,553</b>	₱25,578,154
Move-in fee income	<b>9,337,677</b>	4,317,096
Documentation fee	<b>9,013,393</b>	5,308,750
Water income	<b>5,395,639</b>	4,498,542
Utilities charged to tenants	<b>5,036,710</b>	3,857,512
Administrative charges	<b>2,748,495</b>	6,713,296
Late payment penalties charged to customers	<b>2,236,292</b>	1,857,054
Parking	<b>2,098,988</b>	-
Zonal value incremental tax	<b>1,664,550</b>	-
Referral incentive	<b>1,457,831</b>	11,525
Sponsorships	<b>776,786</b>	4,100
Scrap sales	<b>772,594</b>	1,014,241
Service Income	<b>294,250</b>	-
Foreign exchange gains charged to buyers	<b>117,851</b>	203,521
Others	<b>4,449,389</b>	2,329,382
	<b>₱106,750,998</b>	₱55,693,173

Move-in fee income pertains 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.

### *20.2 Other Losses*

This account is composed of the following:

	March 31, 2025	March 31, 2024
Foreign exchange losses	<b>₱379,514</b>	₱370,616
Loss (gain) on sale of assets – net	<b>(5,061)</b>	(15,402)
Other losses	-	-
	<b>₱374,453</b>	₱355,214

## 21. FINANCE COSTS

This is composed of the following:

	Notes	March 31, 2025	March 31, 2024
Interest expense on:			
Loans	14.1	₱411,125,639	₱575,829,849
Lease liabilities	11.2	20,812,734	20,280,055
Bonds	15	119,794,289	–
Day one loss, net of amortization	5	152,948,792	1,704,128
Amortized debt issue costs		17,134,679	–
		<b>₱721,816,133</b>	<b>₱597,814,032</b>

Interest expense on loans and bonds are the portion not capitalized as part of property and equipment, and investment properties (see Notes 10 and 12).

## 22. EMPLOYEE BENEFITS

### *22.1 Salaries and Employee Benefits*

Expenses recognized for salaries and employee benefits amounts to ₱182,484,114 and ₱138,618,955 in March 31, 2025 and 2024, respectively (see Note 20)

### *22.2 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) 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.

## 23. 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 nine and seven registered projects with BOI as of March 31, 2025 and December 31, 2024, respectively.

The components of tax expense relating to profit or loss and other comprehensive income or loss are as shown below.

	<b>March 31, 2025</b>	March 31, 2024
<i>Reported in profit or loss:</i>		
Current tax expense:		
Regular corporate income tax (RCIT) at 25%	<b>₱359,857,653</b>	₱9,628,061
Final income tax	<b>2,774,979</b>	383,301
Minimum corporate income tax (MCIT)	<b>282,041</b>	118,736
	<b>362,914,673</b>	10,130,098
Deferred tax expense arising from –		
Origination and reversal of temporary differences	<b>214,405,373</b>	445,892,835
	<b>₱577,320,046</b>	₱456,022,933
<i>Reported in other comprehensive income (loss):</i>		
Deferred tax income arising from –		
Origination and reversal of temporary differences	<b>₱-</b>	₱-

As of March 31, 2025, the Parent Company BL CPB, CHR, CPH, MGRI, YES, YHES, CHDI, CBLRV, SPE, and CLITE are subject to MCIT which is computed at 1% 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 ₱286,676 and ₱383,301 for the periods March 31, 2025 and 2024, 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 quarters ended March 31, 2025 and 2024.

## 24. 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.

	Notes	Amount of Transaction		Outstanding Balance	
		March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
<b>Ultimate Parent Company</b>					
Real estate sales	26.2	-	₱854,062,50000	₱834,260,406	₱837,666,834
Cancellation of sales	26.2	-	-	-	-
<b>Entities under Common Ownership</b>					
Advances (collections)	26.1	(268,336)	7,865,191	53,833,625	54,101,961
<b>Associates and Joint Venture</b>					
Real estate sales	26.4	-	2,044,110,637	-	246,068,950
Advances (collections)	26.1	681,548	(3,036,610)	4,935	(676,613)
<b>Key Management Personnel</b>					
Real estate sales	26.3	16,430,054	10,769,427	-	-
Total Compensation	26.5	25,385,230	127,566,979	-	-

Based on management's assessment, no impairment loss is required to be provided on the Group's receivables from related parties as at March 31, 2025 and December 31, 2024. 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.

### 24.1 Advances to Related Parties

The Group grants cash advances to shareholders, entities under common ownership and associates. An analysis of such advances is presented below.

	Entities Under Common Ownership	Associates	Total
Balance at January 1, 2025	₱ 54,101,961	(₱676,613)	₱ 53,425,348
Additional advances (payments)	(268,336)	681,548	413,212
Balance at March 31, 2025	₱ 53,833,625	₱ 4,935	₱53,838,560
Balance at January 1, 2024	₱46,236,770	₱2,359,997	₱48,596,767
Additional advances	7,865,191	(3,036,610)	4,828,581
Balance at December 31, 2024	₱54,101,961	₱ (676,613)	₱53,425,348

### 24.2 Real Estate Sales to Ultimate Parent Company

In 2024, the Company sold the Manresa lot to ABS amounting to ₱854,062,500 with a cost amounting to ₱470,900,926, resulting to a gross profit of ₱383,161,574. The outstanding balance as of March 31, 2025 is amounting to ₱834,260,406, 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 5).

### 24.3 Real Estate Sales to Key Management Personnel

In 2025 and 2024, 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 2025 and 2024 consolidated statement of financial position (see Note 5).

### 24.4 Real Estate Sales to a Joint Venture

On April 10, 2024, CLI NUD, acquired two parcels of land from El Camino amounting to 2,044,110,637. The outstanding balance related to the acquisition of land amounting to ₱246,068,950 is presented as part of Contract receivables under the Receivables account in the consolidated statements of financial position (see Note 5).

## 25. EQUITY

### 25.1 Capital Stock

Details of the Parent Company's authorized capital stock as of March 31, 2025 and December 31, 2024 are as follows:

	Shares		Amount in PHP	
	2025	2024	2025	2024
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	₱2,063,360	₱2,063,360
Preferred Shares – Series A-2 (CLIA2)	2,216,980	2,216,980	2,216,980	₱2,216,980
Balance at end of year	<u>4,280,340</u>	<u>4,280,340</u>	<u>4,280,340</u>	<u>4,280,340</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	₱3,627,732,337	3,623,451,997	₱3,627,732,337	₱3,623,451,997
Treasury shares	(158,250,530)	(158,250,530)	(732,664,604)	(732,664,604)
Issued and outstanding	<u>₱3,469,481,807</u>	<u>₱3,465,201,467</u>	<u>₱2,895,067,733</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 ₱4,276,059,660 (see Note 25.2). 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 ₱2.60 per share on March 31, 2025 and ₱2.65 per share on December 29, 2024, the last trading day in the PSEs

The Parent Company has no other listed equity securities as at March 31, 2025 and December 31, 2024.

### ***25.2 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 ₱5 per share, which is equivalent to ₱2,150,000,000. Accordingly, the Parent Company recognized additional paid-in capital of ₱1,608,917,974 in the consolidated statements of financial position after deducting the related share issuance costs of ₱111,082,026.

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 ₱4,247,007,247 in the consolidated statements of financial position after deducting the related share issuance costs of ₱29,052,413.

### ***25.3 Treasury Shares***

An analysis of treasury shares as of March 31, 2025 and December 31, 2024, respectively is shown below:

	Shares		Amount	
	2025	2024	2025	2024
Balance at beginning of year	<b>158,250,530</b>	158,250,530	<b>₱732,664,604</b>	₱732,664,604
Reissued during the year	-	-	-	-
Balance at end of year	<b>158,250,530</b>	158,250,530	<b>₱732,664,604</b>	₱732,664,604

On February 27, 2018, the BOD of the Parent Company approved a ₱250,000,000 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 ₱500,000,000 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 ₱15,320,885 and ₱485,657,205, 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 March 31, 2025, the Group has a total of 158,250,530 treasury shares amounting to ₱732,664,604.

#### ***25.4 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 ₱2.25 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 ₱2.40 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.

### 25.5 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.

	Notes	March 31, 2025	December 31, 2024
Balance at beginning of year		₱(34,689,808)	₱(18,288,224)
Other comprehensive loss:			
Gain (loss) on remeasurement of post-employment defined benefit obligation	22.2	(58)	(21,868,779)
Tax income (expense)	23	-	5,467,195
		<b>(34,689,808)</b>	<b>(16,401,584)</b>
Balance at end of year		<b>₱(34,689,866)</b>	<b>₱(34,689,808)</b>

### 25.6 Retained Earnings

#### (a) Cash Dividends

Date of Declaration	Record Date	Payment Date	Total Cash Dividends	Dividend Per Share
<b>2024</b>				
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
			<b><u>1,132,846,315</u></b>	

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.

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.

(b) *Appropriated Retained Earnings Releases*

In 2025 and 2024, the Parent Company reversed certain appropriations made in previous years amounting to ₱537,704,084, and ₱3,691,083,698 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.

**25.7 Non-controlling Interests**

The subsidiaries of the Group with significant NCI as at March 31, 2025 and December 31, 2024 are as follows.

Subsidiaries	NCI Ownership %		NCI Equity in Subsidiaries	
	2025	2024	2025	2025
YHEST	50%	50%	₱4,823,139,472	₱4,718,648,818
CHDI	50%	50%	1,867,219,602	1,775,597,220
El Camino	65%	65%	1,037,016,445	1,050,993,312
YHES	50%	50%	697,841,656	867,863,915
CBLRV	50%	50%	524,639,535	527,272,087
GGTT	50%	50%	386,853,660	417,651,149
CLI-LITE	12%	12%	193,672,917	201,875,060
CCLI	50%	50%	111,968,504	130,574,877
YES	50%	50%	85,952,034	93,744,663
MDC	22%	22%	79,814,270	79,727,650
MGR	55%	55%	39,963,953	40,279,331
SPE	36%	36%	33,612,086	40,218,586
BL Ventures	50%	50%	9,446,986	16,096,350
CLI LUZON	40%	-	(1,494,600)	
			<b>₱9,889,646,520</b>	<b>₱9,960,543,018</b>

The analysis of the movement of NCI as at March 31, 2025 and December 31, 2024 are as follows:

	March 31, 2025	December 31, 2024
Balance at beginning of year, as previously reported	₱9,960,543,018	₱9,345,354,263
Effect of restatement	-	(124,500,734)
Balance at beginning of year, as previously reported	9,960,543,018	9,220,853,529
Share in net profit during the year	329,103,502	987,939,489
Dividends	(400,000,000)	(280,750,000)
New and additional investments	-	32,500,000
Balance at end of year	<b>₱9,889,646,520</b>	<b>₱9,960,543,018</b>

There are no new additional investments for 2025, while the new investments came from the non-controlling shareholders of CHDI and CCLI in 2024.

The dividends came from YHEST in 2025, while from El Camino, MGR, and YHEST in 2024.

## 26. EARNINGS PER SHARE

EPS is computed as follows:

	March 31, 2025	March 31, 2024
Net profit attributable to Parent	<b>₱995,371,058</b>	₱977,793,718
Income available to common stockholders	<b>995,371,058</b>	₱977,793,718
Divided by weighted average number of outstanding common shares	<b>3,465,201,467</b>	3,465,201,467
Basic and diluted EPS	<b>₱0.29</b>	₱0.28

Aside from the employee share options, there were no instruments that could potentially dilute basic earnings per share in March 31, 2025 and 2024, hence basic EPS if the same as diluted EPS.

## 27. COMMITMENTS AND CONTINGENCIES

### *27.1 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:

	March 31, 2025	March 31, 2024
Within one year	<b>₱139,522,074</b>	₱125,876,508
After one year but not more than five years	<b>668,000,920</b>	382,482,247
More than five years	<b>446,823,610</b>	238,025,396
	<b>₱1,254,346,604</b>	₱746,384,151

Rental income amounted to ₱52,731,699 and ₱33,828,286 as at March 31, 2025 and 2024, respectively (see Note 17). None of the rental income in 2025 and 2024 are relating to variable lease payments.

### *27.2 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 amounted to ₱8,740,052 and ₱10,900,921 for March 31, 2025 and 2024, respectively, and is shown as rent under Operating Expenses in the consolidated statements of profit or loss (see Note 19).

As at March 31, 2025, 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 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 ₱534,509,636 and ₱296,265,110 as at March 31, 2025 and December 31, 2024, respectively, when it collects more than it is entitled to based on the stage of completion of the project development.

### ***27.4 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 March 31, 2025 and 2024, 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.

## **28. 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:

### ***28.1 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.

### ***28.2 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.

	Notes	March 31, 2025	December 31, 2024
Cash and cash equivalents	4	<b>₱3,982,857,252</b>	₱1,583,238,995
Receivables-net	5	<b>10,083,557,529</b>	4,559,580,864
Contract assets	17.1	<b>44,939,215,501</b>	49,427,127,660
Due from related parties	24.1	<b>53,838,559</b>	53,425,348
Short-term investments	9	<b>397,638,534</b>	344,058,432
Refundable deposits	13	<b>171,664,477</b>	162,843,330
		<b>₱59,628,771,852</b>	₱56,130,274,629

\*Receivables excludes advances to officers and employees.

(b) *Credit Quality*

The Group classifies cash in banks as high grade as these are deposited with reputable banks.

Due from related parties, refundable deposits and significant portion of other receivables 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.

	2025			Past due but not impaired	Individually impaired	Total
	Neither past due not impaired					
	High grade	Standard grade	Unrated			
Cash	<b>₱3,982,857,252</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱3,982,857,252</b>
Receivables:						
Contract	-	8,680,781,026	-	440,791,951	-	9,121,572,977
Others	-	-	959,547,896	-	2,436,656	961,984,552
Contract assets	-	44,939,215,501	-	-	-	44,939,215,501
Due from related parties	-	-	53,838,559	-	-	53,838,559
Short-term investments	397,638,534	-	-	-	-	397,638,534
Refundable deposits	-	-	171,664,477	-	-	171,664,477
	<b>₱4,380,495,786</b>	<b>₱53,619,996,527</b>	<b>₱1,185,050,932</b>	<b>₱440,791,951</b>	<b>₱2,436,656</b>	<b>₱59,628,771,852</b>

	2024					
	Neither past due not impaired			Past due but not impaired	Individually impaired	Total
	High grade	Standard grade	Unrated			
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

### 28.3 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.

	Current		Non-current	
	Within Six Months	Six to 12 Months	One to Five Years	More than Five Years
March 31, 2025				
Interest-bearing loans and borrowings	₱4,852,692,623	₱2,924,622,679	₱26,412,392,796	₱7,538,679,184
Bonds payable	-	-	10,000,000,000	-
Trade and other payables*	16,416,981,509	3,082,528,537	5,642,116,426	-
	₱21,269,674,132	₱6,007,151,216	₱42,054,509,222	₱7,538,679,184
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

\* 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.

## 29. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AND FAIR VALUE MEASUREMENTS AND DISCLOSURES

### 29.1 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.

	Notes	2025		2024	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>					
At amortized cost:					
Cash and cash equivalents	4	₱3,982,857,252	₱3,982,857,252	₱ 1,583,238,995	₱ 1,583,238,995
Receivables - net <sup>1</sup>	5	10,083,557,529	10,083,557,529	4,559,580,864	4,559,580,864
Due from related parties	24.1	53,838,559	53,838,559	53,425,348	53,425,348
Short-term investments	9	397,638,534	397,638,534	344,058,432	344,058,432
Refundable deposits	13	171,664,477	171,664,477	162,843,330	162,843,330
		<b>₱14,689,556,351</b>	<b>₱14,689,556,351</b>	<b>₱6,703,146,969</b>	<b>₱6,703,146,969</b>
<b>Financial Liabilities</b>					
At amortized cost:					
Interest-bearing loans and borrowings	14	₱41,728,387,282	₱41,728,387,282	₱ 44,652,079,931	₱46,603,897,194
Bonds payable	15	10,000,000,000	10,000,000,000	4,964,768,926	5,102,082,489
Trade and other payables <sup>2</sup>	16	25,141,697,901	25,141,697,901	21,440,724,120	21,440,724,120
		<b>₱76,870,085,183</b>	<b>₱76,870,085,183</b>	<b>₱71,057,572,977</b>	<b>₱73,146,703,80</b>

<sup>1</sup> Receivables - net excludes advances to officers and employees.

<sup>2</sup> Trade and other payables excludes output VAT, government-related obligations and advance rental.

### 29.2 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:

	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	
March 31, 2025						
Cash and cash equivalents	₱3,982,857,252	₱-	₱3,982,857,252	₱3,975,829,733	₱-	₱7,027,519
December 31, 2024						
Cash and cash equivalents	₱1,583,238,995	₱-	₱1,583,238,995	₱1,577,435,027	₱-	₱5,803,968

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:

	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	
March 31, 2025						
Interest-bearing loans	₱41,728,387,282	₱-	₱41,728,387,282	₱3,975,829,733	₱-	₱37,752,557,549

December 31, 2024

Interest-bearing loans	₱44,652,079,931	₱-	₱44,652,079,931	₱1,577,435,027	₱-	₱43,056,897,586
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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.

### **29.3 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 March 31, 2025 and December 31, 2024 consolidated statements of financial position, but for which fair value is disclosed (see Note 29.1).

	2025			
	Level 1	Level 2	Level 3	Total
<i>Financial assets:</i>				
Cash and cash equivalents	₱3,982,857,252	₱-	₱-	₱3,982,857,252
Receivables – net <sup>1</sup>	-	-	10,083,557,529	10,083,557,529
Due from related parties	-	-	53,838,559	53,838,559
Short-term investments	397,638,534	-	-	397,638,534
Refundable deposits	-	-	171,664,477	171,664,477
	<b>₱4,380,495,786</b>	<b>₱-</b>	<b>₱10,309,060,565</b>	<b>₱14,689,556,351</b>
<i>Financial liabilities:</i>				
Interest-bearing loans	-	-	₱41,728,387,282	₱41,728,387,282
Bonds payable	-	-	10,000,000,000	10,000,000,000
Trade and other payables	-	-	25,141,697,901	25,141,697,901
	<b>₱-</b>	<b>₱-</b>	<b>₱76,870,085,183</b>	<b>₱76,870,085,183</b>
	2024			
	Level 1	Level 2	Level 3	Total
<i>Financial assets:</i>				
Cash and cash equivalents	₱1,583,238,995	₱-	₱-	₱1,583,238,995
Receivables – net <sup>1</sup>	-	-	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
	<b>₱1,927,297,427</b>	<b>₱-</b>	<b>₱4,775,849,542</b>	<b>₱6,703,146,969</b>
<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
	<b>₱-</b>	<b>₱-</b>	<b>₱72,824,972,988</b>	<b>₱72,824,972,988</b>

<sup>1</sup> Receivables excludes advances to officers and employees.

<sup>2</sup> 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 March 31, 2025

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 as at March 31, 2025.

	Level 1	Level 2	Level 3	Total
<b>Investment Property</b>	<b>₱-</b>	<b>₱4,706,582,248</b>	<b>₱18,773,654,498</b>	<b>₱23,480,236,747</b>

In 2025, 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 quarter ended March 31, 2025.

### **30. 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:

	<b>March 31, 2025</b>	December 31, 2024
Total interest-bearing loans and borrowings and bonds payable	<b>₱51,465,307,726</b>	₱49,616,848,857
Total equity	<b>31,230,593,906</b>	30,306,119,405
Debt-to-equity ratio	<b>1.65:1.00</b>	1.64:1.00

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 14). The Group has complied with its covenant obligations for both years ended March 31,2025 and December 31,2024.

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 March 31, 2025 and December 31, 2024, the Group's DCR is 1.58:1.00 and 1.58:1.00, respectively.