CENTURY PROPERTIES
Creating New Generation Real Estate

# NOTICE OF ANNUAL STOCKHOLDERS' MEETING

FOR : The Stockholders of CENTURY PROPERTIES GROUP INC.

FROM : The Corporate Secretary

SUBJECT : Annual Stockholders' Meeting on **JUNE 28, 2024**

Please be informed that the annual stockholders' meeting of CENTURY PROPERTIES GROUP INC. (the "Corporation") shall be held on ***JUNE 28, 2024, FRIDAY at 9:00 a.m., to be conducted virtually*** and attendance at the meeting will be via remote communication only. Only common stock shareholders as of **MAY 28, 2024** shall be entitled to notice and to vote at the said meeting.
The agenda for the said meeting shall be as follows:

1. Call to order
2. Certification of notice and the existence of a quorum
3. Approval of the minutes of the Annual Stockholders' Meeting held on JUNE 30, 2023
4. Annual Report of the President
5. Ratification of all Acts and Proceedings of the Board of Directors and Corporate Officers, including the Ratification of the Written Assent issued by Majority of the stockholders last November 13, 2023
6. Approval of the 2023 Audited Consolidated Financial Statements of the Corporation
7. Election of Members of the Board of Directors and extension of term for 3 Independent Directors
8. Appointment of External Auditor for 2024
9. Other Matters
   A. *Amendment of Article 5 of the Amended Articles of Incorporation to change the number of Directors from Twelve (12) to Eleven (11)*
   B. *Amendment of Article 6, Section 2 of the Amended Articles of Incorporation, specifically on the provision for Redemption of Preferred Shares, to wit:*

***from:*** *Redemption*

*The Preferred Shares shall be redeemable at the option of the Corporation at such times and prices as may be determined by the Board of Directors at the time of issue, which price may not be less than the par value thereof plus accrued dividends. Any shares redeemed or purchased by the Corporation shall be recorded as treasury stock and may be re-issued in the future. The Board of Directors shall determine the terms and conditions of a retirement or a sinking fund, if any, for the purchase or redemption of the shares for such series.*

***to:*** *Redemption*

*The Preferred Shares shall be redeemable at the option of the Corporation at such times and prices as may be determined by the Board of Directors at the time of issue, which price may not be less than the par value thereof plus accrued dividends.* ***Any shares redeemed or purchased by the Corporation shall be deemed and recorded as retired and may be reissued at the option of the Company.*** *The Board of Directors shall determine the terms and conditions of a retirement or a sinking fund, if any, for the purchase or redemption of the shares for such series.*

10. Adjournment

***There will be no physical meeting***. Stockholders may only attend and participate in the meeting by remote communication. Stockholders may vote electronically in absentia, subject to validation procedures.

Stockholders who intend to attend by remote communication are required to REGISTER via https://www.century-properties.com/asm2024/ on or before ***June 25, 2024***

The instructions, procedures and requirements for electronic voting in absentia and participation by remote communication shall be sent to the email address provided in the stockholder's registration from.

The link through which the Meeting may be accessed shall be sent to the email address of the registered stockholder after validation. The procedures for participating in the meeting through remote communication and for casting of votes in absentia will be set forth and discussed in details in the Company's Definitive Information Statement (SEC Form 20-IS).

The Definitive Information Statement, Management Report, Audited Financial Statements, Quarterly Report/s and other documents relative to the Annual Stockholders' Meeting, including the Procedures and Guidelines on the **participation by remote communication** and voting in absentia may be accessed, beginning on **MAY 28, 2024** through any of the following:

1. Go to the Corporation website via this link: *https://www.century-properties.com/*
2. Go to the PSE EDGE portal via *https://edge.pse.com.ph/* or;
3. Request for a copy by sending an email to icsales@century-properties.com or danny.bunyi@divinalaw.com

**ATTY. DANNY E. BUNYI**
Corporate Secretary

# PART II.

**PROXY FORM**

**CENTURY PROPERTIES GROUP INC.**

Item 1: ***Identification***

This proxy is being solicited by **CENTURY PROPERTIES GROUP INC.** (the **"Company"**). The Chairman of the Board of Directors or, in his absence, the President of the Company will vote the proxies at the Annual Stockholders' Meeting to be held on on **JUNE 28, 2024, FRIDAY** at ***9:00 a.m.***

Item 2: ***Instructions***

(a) The proxy form must be completed, signed and dated by the stockholder on or before **JUNE 21, 2024** or his duly authorized representative, and received by the Compliance Officer not later than 5:00 p.m. on JUNE 21, 2024 via the following email addresses:

icsales@century-properties.com or danny.bunyi@divinalaw.com

You may also send the forms via courier to the following address:

Atty. Isabelita Ching-Sales
23rd Flr. Century Diamond Tower, Century City,
Kalayaan Avenue, Makati City, 1200

***(b)*** ***The stockholder may withhold authority to vote on any nominee/s by lining through or striking out the name of the specific nominee for which authority to vote is withheld.***

(c) In case of a corporate stockholder, the proxy must be accompanied by a corporate secretary's certificate quoting the board resolution authorizing the relevant corporate officer to execute the proxy for the corporate stockholder.

(d) Validation of proxies will be done by the Corporate Secretary and persons designated by the Corporate Secretary on June 24, 2024

(e) The manner in which this proxy shall be accomplished, as well as the validation hereof shall be governed by the provisions of Rule 20 Section 11(b) of the SRC IRR.

**(f)** The stockholder executing the proxy shall indicate the manner by which he wishes the proxy to vote on the matters in (1), (2), (3), (4), (5),(6) and (7) (8) (9) below by checking the appropriate box. **Where the boxes (or any of them) are unchecked, the stockholder executing the proxy is deemed to have authorized the proxy to vote "FOR" the items below.**

The undersigned hereby appoints the Chairman of the Board of Directors of the Company; or in his absence or any substitute proxy designated by him, the President of the Company, with full power of substitution and delegation, as the proxy of the undersigned, to represent and vote all of the shares of common stock of the undersigned at the ANNUAL stockholders' meeting of the Company to be held on JUNE 27, 2022 and at any and all adjournments or postponements thereof, for the purpose of acting on the proposals enumerated below:

Item 3: ***Revocability of Proxy***

Any stockholder who executes the proxy enclosed with this statement may revoke it at any time before it is exercised by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting, or by attending the meeting in person.

Item 4: ***Persons Making the Solicitation***

The solicitation is made by the Management of the Company. No director of the Company has informed the Company in writing that he intends to oppose an action intended to be taken up by the Management of the Company at the annual stockholders' meeting.

Solicitation of proxies shall be made through the use of e-mail or courier mail.

Item 5: ***Interest of Certain Persons in Matters to be Acted Upon***

No director, officer, nominee for director, or associate of any of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, on the matter to acted upon at the annual stockholders' meeting to be held on JUNE 28, 2024

| Proposal | FOR | AGAINST | ABSTAIN |
|---|---|---|---|
| 1. Approval of the minutes of the 2023 Annual Stockholders' Meeting held on June 30, 2023 | | | |
| 2. Presentation and approval/ratification of the 2023 Reports and Audited Financial Statements for year ended December 31, 2023 | | | |
| 3. Ratification of the acts of the Board of Directors and of Management; To approve, ratify and confirm all previous acts of the Board from 31 May 2023 to 31 May 2024 | | | |
| **4. Election of Directors** | **FOR** | **DO NOT VOTE** | **WITHHOLD AUTHORITY TO VOTE** |
| Jose E. B. Antonio | | | |
| John Victor R. Antonio | | | |
| Jose Marco R. Antonio | | | |
| Jose Carlo R. Antonio | | | |
| Ricardo P. Cuerva | | | |
| Rafael G. Yaptinchay | | | |
| Hilda R. Antonio | | | |
| **INDEPENDENT DIRECTORS** | | | |
| Jose Cuisia | | | |
| Stephen CuUnjieng | | | |
| Carlos C. Ejercito | | | |
| Aileen Christel U. Ongkauko | | | |
| | **FOR** | **AGAINST** | **ABSTAIN** |
| 5. Appointment of Sycip Gorres, Velayo & Co. as External Auditors | | | |
| 6. Other Matters: Amendment of Articles of Incorporation | **FOR** | **AGAINST** | **ABSTAIN** |
| A. Amendment of Article 5 of the Amended Articles of Incorporation to change the number of Directors from Twelve (12) to Eleven (11) | | | |
| B. Amendment of Article 6, Section 2 of the Amended Articles of Incorporation, specifically on the provision for Redemption of Preferred Shares, to wit:<br><br>from: Redemption<br><br>The Preferred Shares shall be redeemable at the option of the Corporation at such times and prices as may be determined by the Board of Directors at the time of issue, which price may not be less than the par value thereof plus accrued dividends. Any shares redeemed or purchased by the Corporation shall be recorded as treasury stock and may be re-issued in the future. The Board of Directors shall determine the terms and conditions of a retirement or a sinking fund, if any, for the purchase or redemption of the shares for such series. | | | |

| | | | |
|---|---|---|---|
| to: Redemption<br><br>The Preferred Shares shall be redeemable at the option of the Corporation at such times and prices as may be determined by the Board of Directors at the time of issue, which price may not be less than the par value thereof plus accrued dividends. Any shares redeemed or purchased by the Corporation shall be deemed and recorded as retired and may be reissued at the option of the Company. The Board of Directors shall determine the terms and conditions of a retirement or a sinking fund, if any, for the purchase or redemption of the shares for such series. | | | |
| 7. Consideration of such other business as may properly come before the meeting | | | |

_____ _____

Date of Proxy (Signature above printed name, including title when signing for a corporation or partnership or as an agent, attorney or fiduciary).

**THE PROXY SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE JUNE 21, 2024, THE DEADLINE FOR THE SUBMISSION OF PROXIES.**

**THIS PROXY, WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO VOTE FOR A DIRECTOR IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY BE PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.**

**A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED. A PROXY IS ALSO CONSIDERED REVOKED IF THE STOCKHOLDER ATTENDS THE MEETING IN PERSON AND EXPRESSED HIS INTENTION TO VOTE IN PERSON**

**SECURITIES AND EXCHANGE COMMISSION**

# SEC FORM 20-IS
## INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [] Preliminary Information Statement

   [X] Definitive Information Statement

2. Name of Registrant as specified in its charter: **CENTURY PROPERTIES GROUP INC.** ("Company")

3. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**

4. SEC Identification Number: **60566**

5. BIR Tax Identification Code: **004-504-281**

6. **35th Floor Century Diamond Tower, Century City, Kalayaan Avenue, Makati City 1200**
   Address of principal office Postal Code

7. Registrant's telephone number, including area code: **(632)7- 7938905**

8. ***JUNE 28, 2024 AT 9:00 a.m. TO BE HELD VIRTUALLY***

   Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **MAY 28, 2024**

***10.*** ***In case of Proxy Solicitations:***

   ***Name of Person Filing the Statement/Solicitor:*** **CENTURY PROPERTIES GROUP INC.**

   ***Address and Telephone No.:*** **35th Floor, Century Diamond Tower, Century City**
   **Kalayaan Avenue, Makati City**
   **(632) 7-793-8905**

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

| Title of Each Class | Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding |
|---|---|
| **Common Shares** | **11,599,600,690** |
| **Preferred Shares** | **20,000,000** |

12. Are any or all of registrant's securities listed in a Stock Exchange?

    Yes __X__ No _____

    If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

**The Company's 11,699,723,690 common shares and 20,000,000 preferred shares are listed in the Philippine Stock Exchange.**

# PART I.
# INFORMATION REQUIRED IN INFORMATION STATEMENT

## A. GENERAL INFORMATION

**Date, Time and Place of Meeting of Security Holders.**

(a) Date, time and place of the meeting:

***JUNE 28, 2024, Friday at 9:00 a.m., to be conducted virtually*** and attendance at the meeting will be via remote communication

(b) Complete mailing address of the principal office of the registrant:

**35th Floor Century Diamond Tower, Century city, Kalayaan Avenue, Makati City**

(c) Intended date of sending out copies of the information statement: **MAY 28, 2024**

**Dissenters' Right of Appraisal**

Other than those stated in the Agenda, there are no significant matters to be taken up during the meeting that may give rise to the exercise by any dissenting stockholder of the right of appraisal. Any stockholder of the Company may exercise his right of appraisal against any proposed corporate action that qualifies as an instance under Section 81 of the Corporation Code and which gives rise to the exercise of such appraisal right pursuant to and in the manner provided under Section 82 of the Corporation Code. Sections 81 and 82 of the Corporation Code provide:

> Sec. 81. *Instances of appraisal right*. — Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances:
>
> 1. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
> 2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code; and
> 3. In case of merger or consolidation.
>
> Sec. 82. *How right is exercised*. — The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation, within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares: *Provided*, That failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.
>
> If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: *Provided*, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: and *Provided, further*, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

**Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

(a) Except for the fact that five (5) directors of the Company, namely, Mr. Jose E.B. Antonio, Mr. John Victor R. Antonio, Mr. Jose Marco R. Antonio, Mr. Jose Carlo R. Antonio and Mrs. Hilda R. Antonio, are likewise directors of the Company and Century Properties Inc., none among the Company's officers, members of the Board of Directors, and nominees thereto, including any of their associates, have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than the election to office, during the annual stockholders' meeting.

(b) No written communication has so far been received by the Company from any of its directors conveying any intention to oppose any action to be taken at the said meeting.

**B. CONTROL AND COMPENSATION INFORMATION**

**Voting Securities and Principal Holders Thereof**

(a) As of MARCH 31, 2024 **ELEVEN BILLION FIVE HUNDRED NINETY NINE MILLION SIX HUNDRED THOUSAND ANS SIX HUNDRED NINETY (11,599,600,690)** common shares of the Company have been issued and are outstanding. Treasury shares amount to **ONE HUNDRED MILLION ONE HUNDRED TWENTY THREE THOUSAND (100,123,000)** shares.

As of MARCH 31, 2024 TWENTY MILLION SHARES (20,000,000) preferred shares of the Company have been issued and are outstanding. Treasury shares amount to THIRTY MILLION (30,000,000) PREFERRED shares

As of MARCH 31, 2024, 117,948,251 common shares and 103,500 preferred shares or 1.01% of the total outstanding shares are owned by Non-Filipinos.

(b) All COMMON shareholders of record at the close of business hours on **MAY 28, 2024** shall be entitled to notice of and to vote at the annual stockholders' meeting.

(c) For the matters requiring a vote in the annual stockholders' meeting, each common share shall be entitled to one vote.

(d) Information required by Part IV paragraph (C) of "Annex C"

(1) Security Ownership of Certain Record and Beneficial Owners

As of MARCH 31, 2024, the Company is aware of only (2) stockholders owning in excess of 5% of its common stock to the extent set forth in the table below:

| (1) Title of class | (2) Name, address of record owner and relationship with issuer | (3) Name of Beneficial Owner and Relationship with Record Owner | (4) Citizenship | (5) No. of Shares | (6) Percent Held |
|---|---|---|---|---|---|
| Common | Century Properties Inc. (CPI)[1]<br>21/F Pacific Star. Bldg<br>Makati Ave, Makati City<br>(relationship with issuer – Parent) | CPI | Filipino | 6,311,104,949 | 53.947% |
| Common | PCD Nominee Corporation<br>(Filipino)<br>G/F Phil Stock Exchange<br>Bldg., Makati<br>(relationship with issuer – None) | PCD Fil* | Filipino | 4,968,941,790 | 42.47% |

*PCD Nominee Corporation (Filipino) is a beneficial stockholder of CPGI held by accredited brokers and institutions. The Company shall be notified of their proxies 10 days prior to the Annual Stockholders Meeting or by June 19, 2023. It has a total shares of 4,968,941,790 or 42.47% of the outstanding capital stock– beneficial owners owning 5% or more as of MARCH 31, 2024.

The following are the PCD participants with shareholdings of around 5% or more:

| | | |
|---|---|---|
| BDO Securities Corp<br>20th Floor, South Tower, BDO Corporate Center,<br>7899 Makati Avenue, Makati City, | 1,076,334,668 shares | 9.27% |

(2) Security Ownership of Management

As of MARCH 31, 2024, the amount and nature of the ownership of the Company's shares held by its directors and senior officers are set forth in the table below:

[1] N.B. CPI is the direct and beneficial owner of the shares. CPI has designated Mr. Jose E.B. Antonio or in his absence either Mr. Jose Marco R. Antonio or Mr. John Victor R. Antonio or Mr. Jose Carlo R. Antonio, as its proxy to vote during the stockholders' meeting of the Company. The total shareholding of CPI consists of directly issued shares for 6,311,104,949.

| (1) Title of class | (2) Name of beneficial Owner | (3) Amount and nature of beneficial ownership | (4) Citizenship | Percent of Class |
|---|---|---|---|---|
| | | | | |
| Common | Jose E.B. Antonio | 79,530,001 – Direct | Filipino | 0.68% |
| Common | John Victor R. Antonio | 1 – Direct | Filipino | 0.000000028% |
| Common | Jose Marco R. Antonio | 1 – Direct | Filipino | 0.000000028% |
| Common | Jose Carlo R. Antonio | 1 – Direct | Filipino | 0.000000028% |
| Common | Rafael G. Yaptinchay | 1 – Direct | Filipino | 0.000000028% |
| Common | Ricardo Cuerva | **214,995,169**– Indirect | Filipino | 1.838%% |
| Common | Jose L. Cuisia | 1 – Direct | Filipino | 0.000000028% |
| Common | Stephen T. Cuunjieng | 1 – Direct | Filipino | 0.000000028% |
| Common | Carlos C. Ejercito | 1 – Direct | Filipino | 0.000000028% |
| Common | Hilda R. Antonio | 1 – Direct | Filipino | 0.000000028% |
| Common | Aileen Christel U. Ongkauko | 1 – Direct | Filipino | 0.000000028% |
| Common | Atty. Danny E. Bunyi | none | Filipino | 0.0000000% |
| Common | Carlos Benedict K. Rivilla, IV | none | Filipino | 0.0000000% |
| Common | Julienne M. Cruz | none | Filipino | 0.0000000% |
| Common | Isabelita Ching Sales | none | Filipino | 0.0000000% |
| Common | Ponciano S. Carreon Jr. | 450,000 - Indirect | Filipino | 0.0000000% |
| Common | Ritchelle T. Cordero | none | Filipino | 0.0000000% |
| **Common** | **Aggregate shareholding of all directors and officers as a group** | 294,975,179 | | |

Voting Trust Holders of 5% or More

The Company is not aware of any persons holding more than 5% of any class of its share under a voting trust arrangement.

(4) Changes in Control

On May 31, 2011, the Company has been made aware that El Paso Philippines Energy Company, Inc.'s ("EPPECI") entered into an agreement with Century Properties, Inc. ("CPI"), providing for the terms and conditions for the purchase by CPI of EPPECI's 284,250,000 issued and outstanding fully-paid and preferred shares of stocks of EPHE and 67,096,092 issued and outstanding fully-paid common shares of stock in the Company, which will thereby effect a change in the ownership and control of the Company.

On July 11, 2011, the Company further disclosed that CPI has commenced a negotiated purchase thru a Deed of Assignment of Shares of Stock dated May 31, 2011 with EPPECI for the following acquisitions: (1) 67,096,092 common shares ("Public Sale Shares") of East Asia Power Resources Corporation (EAPRC) equivalent to 1.888% of EAPRC and (2) 284,250,000 common and preferred shares ("Private Sale Shares") of EPHE resulting to an indirect acquisition of equivalent to 91.695% of the total issued and outstanding capital stock of EAPRC. The purchase price for the Public and Private Sale Shares amounts to a total consideration of Php127,406,794.31 (the "Private Sale Consideration") allocated as follows: Php2,569,732.51 for the Public Sale Shares and Php124,837,061.80 for the Private Sale Shares.

On the same date, CPI and EAPRC executed and signed two (2) Deeds of Assignment of Shares of Stock effectively superseding the May 31, 2011 Deed of Assignment to finally close the above-mentioned acquisitions (1) Public Sale Shares and (2) Private Sale Shares. The July 11, 2011 Deeds of Assignment contained the same terms and conditions as stated in the May 31, 2011 Deed of Assignment thereby effecting a change in the ownership and control of the Company.

**Directors and Executive Officers**

(a) The information required by Part IV, paragraphs (A), (D)(1) and D(3) of "Annex C".

(1) Directors are generally elected to serve for a term of one (1) year, and until their successors are elected and qualified during the next stockholders' meeting.

Independent Directors

The independent directors of the Company are pre-screened and qualified by the Nomination and Remuneration Committee of the Company under the procedures laid down in the Company's By-Laws and its Manual on Corporate Governance regarding the election of directors to ensure that each of the independent directors possess all the qualifications and none of the disqualifications of an independent director, pursuant to the Revised Code of Corporate Governance Memorandum Circular No. 6 Series of 2009 and SEC Memorandum Circular No. 4, Series of 2017.

In approving the qualifications of the nominees for independent directors, the members of the Nomination and Remuneration Committee of the Company are in compliance with the SRC Rule 38, the guidelines prescribed in SEC Circular No. 16, Series of 2002 on the Guidelines on the Nomination and Election of Independent Directors, the Company's By-Laws and its Manual on Corporate Governance. The procedure to be observed by the Company for the election of independent directors is as set forth in SEC Circular No. 16, Series of 2002 and SRC Rule 38 of the Amended Rules and Regulations Implementing the Securities Regulation Code and under the Company's Corporate Governance Manual as per SEC Memorandum Circular No. 6 series of 2009, an independent director must have the following qualifications:

(a) "An independent director shall mean a person other than an officer or employee of the Corporation, its parent or subsidiaries, or any other individual having relationship with the Corporation that would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director," and

(b) "If the independent director becomes an officer or employee of the same Corporation he shall be automatically disqualified from being an independent director'.

Furthermore. in compliance with SEC Memorandum Circular No. 4 series of 2017, the Risk Management and Corporate Governance Committee of the Company, tasked for the selection and nomination of the members of the Board, also qualifies the term limits of independent directors for a maximum of 9 years. Three current independent directors have served the maximum term limit, however, after discussion and upon motion made and duly seconded by majority of the committee body and board members, both approved the extension of term for one (1) year, and nomination of the following Independent Directors, subject to the approval of the stockholders during the annual stockholders meeting for the year 2024:

1. JOSE L. CUISIA Jr.
2. STEPHEN T. CuUNJIENG
3. CARLOS C. EJERCITO

The Committee as well as the Board of Directors strongly believe that the above Independent Directors subject for Term extension all possess the wealth of experience and expertise have been proven invaluable in providing input and guidance in the overall strategy of the Corporation. The independent and objective perspectives provided by them during Committee and Board meetings are essential and indispensable. The length of time that the extended independent directors sat on the Board has not and will not impair said directors' ability to act independently and objectively.

The current independent directors, CARLOS C. EJERCITO, STEPHEN CuUNJIENG, JOSE CUISIA and AILEEN CHRISTEL U. ONGKAUKO were qualified as independent board members, possess all the qualifications and none of the disqualifications for independent directors.

Furthermore, CARLOS C. EJERCITO, STEPHEN CuUNJIENG, JOSE CUISIA and AILEEN CHRISTEL U. ONGKAUKO submitted their Certificate of Qualification of Independent Directors on May 10, 2024 (as attached in this report) which to date have no changes nor amendments with respect to their qualifications in compliance with the SEC Notice dated October 20, 2006 implementing section 38 of the Securities Regulations Code.

During its meeting held on May 14, 2024 the Risk Management & Corporate Governance Committee passed upon the qualifications of the following nominees for the year 2024-2025

1. JOSE CUISIA - nominated by CPI
2. STEPHEN CuUNJIENG - nominated by CPI
3. CARLOS C. EJERCITO - nominated by CPI
4. AILEEN CHRISTEL U. ONGKAUKO – nominated by CPI

**Amb. Jose L. Cuisia Jr.,** 79 years old, Filipino citizen, is the former Ambassador Extraordinary and Plenipotentiary of the Republic of the Philippines to the United States. Ambassador Cuisia is also well-respected figure in Philippine business, with over 32 years in financial services, most recently as the President & CEO of the largest and most profitable non-bank financial institution on the Philippines. He serves on the boards of many of the Philippines' most important private and listed companies, and has shared his expertise as Trustee on various academic institutions and non-government organizations espousing good governance and corporate social responsibility, including the Asian Institute of Management. Ambassador Cuisia has over 10 years of experience in public service, having served Filipinos as the Governor of the Central Bank of the Philippines and Chairman of its Monetary Board as well as President and CEO of the Philippine Social Security System in the 1980s and 1990s. At the Central Bank, Ambassador Cuisia oversaw the liberalization of foreign exchange controls, resulting in, among others, the entry of more substantial foreign direct investment that strengthened the Philippine Peso and the country's foreign exchange reserves. The Ambassador also led the efforts in establishing

what is now the Bangko Sentral ng Pilipinas, allowing it to become a more effective guardian of monetary policy and ensuring the stability of the banking system. Amb. Cuisia also serves as Director to various companies namely: Investment & Capital Corporation of the Philippines, Asian Institute of Management, Phinma Corporation, SM Prime Holdings Inc., Philippine Investment Management, Inc.. He likewise serves as an Independent Director of Manila Water Company, Inc.

**Mr. Stephen T. CuUnjieng**, 64 years old, Filipino citizen, is a prominent investment banker, and currently serves as an Independent Director, Aboitiz Equity Ventures, Inc. He has a long and extensive experience in investment banking with several major financial institutions including HFS Capital LLC and Evercore Partners, Inc. He is an advisor to a number of Asia's most prominent companies like San Miguel Corporation, Samsung Electronics, Tiger Airways, among others. He finished his undergraduate and law degree from Ateneo De Manila University and later on, earned his MBA degree from the Wharton School of Business at the University of Pennsylvania.

**Mr. Carlos C. Ejercito**, 78 years old, Filipino, is the former Chairman of the United Coconut Planters Bank and currently the Chairman and CEO of Nortern Access Mining, Inc, Forum Cebu Coal Corporation and Kaipara Mining and Development Corporation. He graduated Cum Laude from the University of the East where he finished his Bachelor's Degree in Business Administration. He became a Certified Public Accountant in 1966. He received his Master's Degree in Business Administration at the Ateneo Graduate School of Business in 1976 and graduated from his Management Development Program in 1983 at the Harvard Business School. As of date, he serves as an Independent Director at Aboitiz Power Corporation, Bloomberry Resorts Corporation and Monte Oro Resources and Energy Corporation.

**Ms. Aileen Christel U. Ongkauko**, 55 years old, Filipino citizen, is concurrently the Group President and Chief Executive Officer of La Filipina Uy Gongco Corporation & Subsidiaries, a highly-diversified agribusiness, livestock and food company established more than a century ago. She is also a Director of South Balibago Resources Inc. and Ateneo Family Business Development Center. Ms. Ongkauko was also former director of Aboitiz Equity Ventures International, Aboitiz Power International, Pilmico International, and Advisor to the Board for Weather Philippines, Inc. She graduated *magna cum laude* and was a Departmental Awardee from Ateneo de Manila University, where she earned her degree in Bachelor of Arts in Management Economics

CPI, which nominated the four independent directors, are stockholders of the Issuer, and are not related to the aforementioned nominees.

Thereafter, the Nomination and Remuneration Committee, which comprises of the following appointed members:

Jose L. Cuisia, Jr - Chairman of the Committee (Ind. Director)
Jose E.B. Antonio – Member
Jose Marco R. Antonio - Member
John Victor R. Antonio - Member
Rafael G. Yaptinchay – Member
Ricardo P. Cuerva – Member (Non-Executive Director)

ratified the qualification of the nominees for independent directors and Corporate Secretary during the Board Meeting held on May 14, 2024 for the extension, re-election and election, respectively, at the upcoming annual stockholders' meeting, in accordance with the qualifications and disqualifications set forth in the Company's Revised Corporate Governance Manual.

**Regular Directors**

During its meeting on May 14, 2024, the Nomination and Remuneration Committee noted the nomination of the following individuals, who are currently the directors of the Corporation, as nominees for regular director for the year 2024-2025:

a) Jose E. B. Antonio
b) John Victor R. Antonio
c) Jose Marco R. Antonio
d) Jose Carlo R. Antonio
e) Ricardo P. Cuerva - Non executive
f) Rafael G. Yaptinchay
g) Hilda R. Antonio - Non Executive

The nomination committee passed upon their qualifications and found no disqualifications in accordance with Revised Code of Corporate Governance Memorandum Circular No. 6 Series of 2009.

As per attached sworn certification issued by the Corporate Secretary, none of the company's qualified directors including the company's out-going and in-coming independent directors and senior officers of CPGI works full time with the government.

The incumbent directors and officers of the Company as of MARCH 31, 2024 are listed below and the relevant data including their respective professional work experience are summarized in paragraph 2 below.

(2) Hereunder are the summaries of the respective business experience of the Company's current Directors and Senior Officers for the last five years:

**Amb. Jose E.B. Antonio,** 77 years old, Filipino, is one of the founders and Executive Chairman of the Board of the Company and its subsidiaries. He graduated cum laude from San Beda College, Manila in 1966 with a Bachelor's Degree in Commercial Science (major in Marketing) and received a Masters Degree in Business Management in 1968 from Ateneo de Manila's Graduate School of Business. Chairman Antonio also graduated from Harvard University's Owner/President Management Program in 2003. Chairman Antonio served as the Philippines Special Envoy for Trade and Economics to the People's Republic of China in 2005 and is currently the Chairman of Century Asia Corporation, Prestige Cars, Inc. and Philtranco Service Enterprises. He is also the founder and Chairman of the Philippine-China Business Council Inc. In addition, he serves as the Vice Chairman of Penta Pacific Realty Corporation and Subic Air Charter, Inc. Mr. Antonio has also has been duly appointed by President Rodrigo R. Duterte as *the* Philippines' special envoy to the United States, effective October 28, 2016. His mission is to enhance business ties and strengthen the economic affairs between the two countries.

**Mr. John Victor R. Antonio**, 51 years old, Filipino, is Vice-Chairman of the Company. He has been with the Company for 17 years and is involved in managing projects in the Company's middle income and affordable product lines, including Gramercy Residences and Azure Urban Residences. He graduated magna cum laude with a Bachelor's Degree in Economics (major in Marketing) from the University of Pennsylvania's Wharton School in 1993 and received his Masters Degree in Business Administration from the Wharton School in 2003.

**Mr. Jose Marco R. Antonio**, 49 years old, Filipino, is President and Chief Executive Officer of the Company. Prior to joining us, he worked at Blackstone Real Estate Partners as a financial analyst. He has been with the Company for 16 years and is involved in managing projects in the Company's middle income and affordable product lines, including Canyon Ranch, Knightsbridge Residences and Acqua Private Residences. He graduated summa cum laude with a Bachelor's Degree in Economics (dual major in Finance and Entrepreneurial Management) from the University of Pennsylvania's Wharton School in 1995 and received his Masters Degree in Business Administration from the Wharton School in 2004.

**Mr. Jose Carlo R. Antonio**, 40 years old, Filipino, is a Managing Director of the Company and a member of our Board. Prior to joining the Company in 2007, he worked in the investment banking groups of Citigroup and Goldman Sachs. He graduated magna cum laude with a Bachelor's Degree in Economics (major in Finance) from the University of Pennsylvania's Wharton School in 2005.

**Ms. Hilda R. Antonio**, 76 years old, Filipino, is a Director of the Company and a member of our Board. She is the wife of the Chairman Amb. Jose E.B. Antonio. She is a Philanthropist. She is a member of the Board of Directors of CPI, Museum Properties, Inc. Heirloom Properties Inc and Sovereign Property Holdings. She graduated from Assumption College of Manila with a degree in Economics.

**Mr. Ricardo P. Cuerva**, 79 years old, Filipino, is a Managing Director of the Company and a member of our Board. Mr. Cuerva was a co-founder of Meridien and served as Meridien's president from 1988 to 1996. He also currently serves as a member of the Rotary Club of Makati City. Mr. Cuerva graduated from San Beda College in 1961 with a Bachelor of Science Degree in Business Administration and obtained his Masters Degree in Business Administration from Ateneo De Manila in 1971. Mr. Cuerva is the President and owner of Century Project Management and Construction Corporation, which oversees the construction of our vertical developments.

**Mr. Rafael G. Yaptinchay**, 73 years old, Filipino, is a Managing Director of the Company and a member of our Board. Mr. Yaptinchay was a co-founder of Meridien and served as Meridien's president from 1996 to 2009. He has previously served as the Assistant Treasurer and Head of Business Development/Corporate Planning of Philippine National Construction Corporation. Mr. Yaptinchay is a member of the Rotary Club of Ortigas and the Association of Asian Manager, Inc. Mr. Yaptinchay graduated from Ateneo de Manila University in 1971 with a

Bachelor's Degree (major Economics) and received his Masters Degree in Business Administration from Asian Institute of Management in 1974.

**Amb. Jose L. Cuisia Jr.,** 79 years old, Filipino citizen, is the former Ambassador Extraordinary and Plenipotentiary of the Republic of the Philippines to the United States. Ambassador Cuisia is also well-respected figure in Philippine business, with over 32 years in financial services, most recently as the President & CEO of the largest and most profitable non-bank financial institution on the Philippines. He serves on the boards of many of the Philippines' most important private and listed companies, and has shared his expertise as Trustee on various academic institutions and non-government organizations espousing good governance and corporate social responsibility, including the Asian Institute of Management. Ambassador Cuisia has over 10 years of experience in public service, having served Filipinos as the Governor of the Central Bank of the Philippines and Chairman of its Monetary Board as well as President and CEO of the Philippine Social Security System in the 1980s and 1990s. At the Central Bank, Ambassador Cuisia oversaw the liberalization of foreign exchange controls, resulting in, among others, the entry of more substantial foreign direct investment that strengthened the Philippine Peso and the country's foreign exchange reserves. The Ambassador also led the efforts in establishing what is now the Bangko Sentral ng Pilipinas, allowing it to become a more effective guardian of monetary policy and ensuring the stability of the banking system. Amb. Cuisia also serves as Director to various companies namely: Phinma Corporation, Xendit Remittance Inc., Omnipay Inc, to name a few.

**Mr. Stephen T. CuUnjieng**, 65 years old, Filipino citizen, is a prominent investment banker, and currently serves as an Independent Director, Aboitiz Equity Ventures, Inc. He has a long and extensive experience in investment banking with several major financial institutions including HFS Capital LLC and Evercore Partners, Inc. He is an advisor to a number of Asia's most prominent companies like San Miguel Corporation, Samsung Electronics, Tiger Airways, among others. He finished his undergraduate and law degree from Ateneo De Manila University and later on, earned his MBA degree from the Wharton School of Business at the University of Pennsylvania.

**Mr. Carlos C. Ejercito**, 78 years old, Filipino, is the former Chairman of the United Coconut Planters Bank and currently the Chairman and CEO of Nortern Access Mining, Inc, Forum Cebu Coal Corporation and Kaipara Mining and Development Corporation. He graduated Cum Laude from the University of the East where he finished his Bachelor's Degree in Business Administration. He became a Certified Public Accountant in 1966. He received his Master's Degree in Business Administration at the Ateneo Graduate School of Business in 1976 and graduated from his Management Development Program in 1983 at the Harvard Business School. As of date, he serves as an Independent Director at Aboitiz Power Corporation, Bloomberry Resorts Corporation and Monte Oro Resources and Energy Corporation.

**Ms. Aileen Christel U. Ongkauko**, 55 years old, Filipino citizen, is concurrently the Group President and Chief Executive Officer of La Filipina Uy Gongco Corporation & Subsidiaries, a highly-diversified agribusiness, livestock and food company established more than a century ago. She is also a Director of South Balibago Resources Inc. and Ateneo Family Business Development Center. Ms. Ongkauko was also former director of Aboitiz Equity Ventures International, Aboitiz Power International, Pilmico International, and Advisor to the Board for Weather Philippines, Inc. She graduated *magna cum laude* and was a Departmental Awardee from Ateneo de Manila University, where she earned her degree in Bachelor of Arts in Management Economics

**Atty. Danny E. Bunyi**, 58 years old, Filipino, is the Corporate Secretary of the Company. He is likewise a Senior Partner at Divina Law Offices and a lecturer at John Gokongwei School of Management in Ateneo de Manila University, and at the Trust Institute Foundation of the Philippines. He was the Senior Vice President and Corporate Secretary of the Development Bank of the Philippines and the Chief Compliance Officer and Legal Services Group Head of Robinsons Bank. He was also the Legal Counsel for Consumer Banking of Standard Chartered Bank (Manila Office) and the Head of the Legal Advisory Division of the Philippine Commercial International Bank. He completed the Finance for Senior Executives Program in the Asian Institute of Management as well as the course on Trust Operations and Investment Management conducted by the Trust Institute Foundation of the Philippines. He obtained his law degree at the Ateneo de Manila University, with a Bachelor's degree in Business Management, major in Legal Management from the same university. Atty. Bunyi has extensive work experience in the field of banking and finance, trust banking and investment management, and corporate and special projects.

**Mr. Carlos Benedict K. Rivilla IV**, 52 years old, Filipino, is the Vice-President for Corporate Affairs of the Company. As part of his experience in the business sector, he served as Corporate Compliance Officer and Vice-President for Finance in a corporation engaged in mass media for four years in Cebu City and also previously handled Corporate Affairs for the Company and served as Director and Corporate Secretary of various businesses in Makati City. He joined the Company in 2007. Mr. Rivilla is a graduate of University of San Jose Recoletos. Mr. Rivilla was appointed Assistant Corporate Secretary on August 17, 2011.

**Mr. Ponciano S. Carreon, Jr.**, 50 years old, Filipino, is the Chief Financial Officer, Corporate Treasurer and Head for Investor Relations. Prior to joining CPGI, he served as Chief Finance Officer of Landco Pacific Corporation, Chief Finance Officer of Arthaland Corporation, Assistant Vice President of Controllership at SM Development Corporation and Controller of Crown Asia Properties, Inc., a Vista Land subsidiary, and as member of the Board of Directors of Club Punta Fuego Inc., Fuego Land Corporation, and Fuego Development Corporation. He also brings with him solid banking experience having served as a bank controller, audit head and examiner. He is an Ateneo-BAP Certified Treasury Professional, a cum laude graduate of BS Accountancy degree at San Beda College and a CPA board topnotcher.

**Atty. Isabelita Ching-Sales**, 44 years old, Filipino, serves as the Company's Head of Legal and Corporate Affairs, Chief Information Officer and Chief Compliance Officer. Prior to joining Century Properties, Atty. Ching-Sales was the Chief Legal Counsel and Chief Information Officer of Asiatrust Development Bank, also a publicly-listed company. Having undergone extensive training and experience on loans, credit and branch banking operations, she was also appointed Head for Credit Support Department, and still is the Corporate Secretary of Asiatrust Development Bank, now NextGenesis Corporation. Atty Ching-Sales also worked as Head for Operations of China Banking Corporation's Acquired Assets Division. She graduated from the University of Sto. Tomas with a Bachelor's Degree in Legal Management and obtained her degree in Bachelor of Laws and Juris Doctor degree at San Beda College of Law and San Sebastian College Recoletos Manila, Institute of Law.

**Mr. Ritchelle T. Cordero**, 43 years old, Filipino, is the Group Head for Human Resources and Administration of the Company. He graduated with academic distinction from San Beda College, Manila in 2002 with the degree of Bachelors of Arts in Philosophy and Human Resources Development. He has completed the Executive MBA degree program at the Asian Institute of Management in 2017. Prior joining the Company, he was the HR Manager of Ayala Property Management Corporation, a subsidiary of Ayala Land Inc. He also worked as the HR Officer of DMCI Project Developers, Inc. He also served as the HR & Quality Management Officer of Asiatic Development Corporation.

**Ms. Julienne M. Cruz**, 40 years old, Filipino, is the Group Head for Corporate Communications of the Company effective November 1, 2021. Prior to joining the Company in 2007, she served as a Public Relations Associate in Grupo Agatep (formerly Agatep Associates) and a television production member of various motoring media shows. As part of her corporate background, she served as PR Associate, Advertising Manager, Marketing Communications Manager, and Assistant Vice President for Communications of the Company until 2020. She graduated with a Bachelor's Degree in Communication Arts from Miriam College Quezon City in 2005. Ms. Cruz is taking her Master of Business Administration degree through the Regis program of the Ateneo Graduate School of Business in Makati.

All the directors and members of the senior management of the Company possess a high degree of integrity and character and are fully capable and able to perform their duties as directors and members of senior management, respectively.

**Information on the Board's Election and Years of Service:**

| Director's Name | Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)] | If nominee, identify the principal | Nominator in the last election (if ID, state the relationship with the nominator) | Date first elected | Date last elected (if ID, state the number of years served as ID) | Elected when (Annual /Special Meeting) | No. of years served as director |
|---|---|---|---|---|---|---|---|
| Jose E.B. Antonio | ED | CPI | Marnelli A. Sales –None | 07/11/2011 | 06/30/2023 | Annual | 13 |
| Jose L. Cuisia, Jr. | ID | CPI | Marnelli A. Sales - None | 06/22/2015 | 06/30/2023 | Annual | 9 |
| Stephen T. CuUnjieng | ID | CPI | Marnelli A. Sales- None | 06/22/2015 | 06/30/2023 | Annual | 9 |
| Carlos C. Ejercito | ID | CPI | Marnelli A. Sales - None | 06/22/2015 | 06/30/2023 | Annual | 9 |
| John Victor R. Antonio | ED | CPI | Marnelli A. Sales - None | 07/11/2011 | 06/30/2023 | Annual | 13 |
| Jose Marco R. Antonio | ED | CPI | Marnelli A. Sales - None | 07/11/2011 | 06/30/2023 | Annual | 13 |
| Jose Carlo R. Antonio | ED | CPI | Marnelli A. Sales - None | 07/11/2011 | 06/30/2023 | Annual | 13 |
| Rafael G. Yaptinchay | ED | CPI | Marnelli A. Sales - None | 07/11/2011 | 06/30/2023 | Annual | 13 |
| Ricardo P. Cuerva | NED | CPI | Marnelli A. Sales - None | 07/11/2011 | 06/30/2023 | Annual | 13 |
| Hilda R. Antonio | NED | CPI | Marnelli A. Sales - None | 06/14/2019 | 06/30/2023 | Annual | 5 |
| Aileen Christel U. Ongkauko | ID | CPI | Marnelli A. Sales - None | 04/17/2021 | 06/30/2023 | Annual | 3 |

## Voting Result of the last Annual General Meeting (June 30, 2023)

| Name of Director | Votes Received |
|---|---|
| Jose E.B. Antonio | 9,086,536,156 shares of 78.33% |
| Jose L. Cuisia, Jr | 9,086,536,156 shares of 78.33% |
| Stephen T. CuUnjieng | 9,093,588,156 shares or 78.40% |
| Carlos C. Ejercito | 9,093,588,156 shares or 78.40% |
| Aileen Christel U. Ongkauko | 9,093,588,156 shares or 78.40% |
| John Victor R. Antonio | 9,086,536,156 shares of 78.33% |
| Jose Marco R. Antonio | 9,086,536,156 shares of 78.33% |
| Jose Carlo R. Antonio | 9,086,536,156 shares of 78.33% |
| Rafael G. Yaptinchay | 9,086,536,156 shares of 78.33% |
| Ricardo P. Cuerva | 9,086,536,156 shares of 78.33% |
| Hilda R. Antonio | 9,093,588,156 shares or 78.40% |

**Directorships in Other Companies**

The Chief Executive Officer and other executive directors of the Company submit themselves to a low indicative limit on membership in other corporate boards, within the limit as may be allowed by the Securities Regulations Code and relevant rules on Corporate Governance. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. An exception to this rule may be applied to memberships in the corporate boards of subsidiaries or affiliates of the Company. In any case, the capacity of directors to serve the Company with diligence shall not be compromised.

**A. Directorships in the Company's Group**

| Director's Name | Corporate Name of the Group Company | Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman. |
|---|---|---|
| Jose E.B. Antonio | Century Properties Inc. (CPI, Parent Company)<br><br>Century City Development Corporation (CCDC)<br><br>Century City Corporation (CCC)<br><br>Century Limitless Corporation (CLC)<br><br>Century Properties Management Inc. (CPMI) | Executive, Chairman<br><br>Executive, Chairman<br><br>Executive, Chairman<br><br>Executive, Chairman<br><br>Executive, Chairman |
| John Victor R. Antonio | CPI<br>CCDC<br>CCC<br>CLC<br>CPMI | Executive<br>Executive<br>Executive<br>Executive<br>Executive |
| Jose Marco R. Antonio | CPI<br>CCDC<br>CCC<br>CLC<br>CPMI | Executive<br>Executive<br>Executive<br>Executive<br>Executive |
| Jose Carlo R. Antonio | CPI<br>CLC<br>CPMI | Executive<br>Executive<br>Executive |
| Rafael G. Yaptinchay | CPI | Executive |
| Ricardo P. Cuerva | CPI | Executive |

**B. Directorships in Other Listed Companies**

| Director's Name | Name of Listed Company | Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman. |
|---|---|---|
| Rafael G. Yaptinchay | Marc Ventures Inc. | Independent |
| Jose L. Cuisia, Jr | Phinma Corporation<br>SM Prime Holdings Inc.<br>Manila Water Company, Inc. | Independent<br>Independent<br>Independent |
| Stephen T. CuUnjieng | Aboitiz Equity Ventures, Inc. | Independent |
| Carlos C. Ejercito | Aboitiz Power Corporation<br>Bloomberry Resorts Corporation | Independent<br>Independent |
| Aileen Christel U. Ongkauko | La Filipina Uy Gongco Corporation & Subsidiaries | Executive Director |

**BOARD MEETINGS & ATTENDANCE**

Regular Board meetings are held once in every quarter. The meetings are scheduled before the beginning of the year. For this year, the Regular Board Meetings are scheduled as follows:

First Quarter – April 4

Second Quarter – May 14

Third Quarter – August 6

Fourth Quarter – November 6

There are also special board meetings that are held from time to time, as the need to discuss important business matters and updates from the Company arise. These special meetings are scheduled a week ahead of the scheduled dates.

**Attendance of Directors – All directors were re-elected and elected, respectively in June 27, 2022.**

| Board | Name | Date of Election | No. of Meetings Held during the year (Regular & Special) | No. of Meetings Attended | % |
|---|---|---|---|---|---|
| Chairman | Jose Eduardo B. Antonio | June 2023 | 14 | 14 | 100% |
| Member | John Victor R. Antonio | June 2023 | 14 | 12 | 85% |
| Member | Jose Marco R. Antonio | June 2023 | 14 | 14 | 100% |
| Member | Jose Carlo R. Antonio | June 2023 | 14 | 14 | 100% |
| Member | Ricardo P. Cuerva | June 2023 | 14 | 10 | 70% |
| Member | Rafael G. Yaptinchay | June 2023 | 14 | 14 | 100% |
| Member | Hilda R. Antonio | June 2023 | 14 | 10 | 70% |
| Independent | Jose L. Cuisia, Jr | June 2023 | 14 | 14 | 100% |
| Independent | Stephen T. CuUnjieng | June 2023 | 14 | 14 | 100% |
| Independent | Carlos C. Ejercito | June 2023 | 14 | 14 | 100% |
| Independent | Aileen Christel U. Ongkauko | June 2023 | 14 | 14 | 100% |

## BOARD COMMITTEES

## 1. Number of Members, Functions and Responsibilities

| Committee | No. of Members | | | Committee Charter | Functions | Key Responsibilities | Power Executive Director (ED) Executive Director (ED) Executive Director (ED) |
|---|---|---|---|---|---|---|---|
| | Executive Director (ED) | Non-executive Director (NED) | Independent Director (ID) | | | | |
| Executive | 5 | 0 | 0 | Develop a transparent business and organizational management system | Oversees the implementation of policies and corporate matters | Executive | 5 |
| Audit | 3 | 0 | 2 | Develop a transparent financial management system | Check all financial reports against its compliance; monitors external audit | Audit | 3 |
| Committee on Strategy & Growth | 4 | 0 | 2 | Assist the Board in discharging its oversight duties with respect to the development and implementation of the Company's strategic plan and the risks associated with such plant. | Provide assistance to the Board of Directors in the strategic management of the Company's activities, in its work to protect Company shareholders' interests via exercising control of the Company's strategy and sustainable development. | Committee on Strategy & Growth | 4 |
| Risk Management & Corporate Governance | 4 | 1 | 2 | Safeguard the company from potential and adherent risks | Establish procedures to safeguard management from exposed risks and prevention of potential risks.<br><br>Ensure that the Company is taking appropriate measures to achieve a prudent balance between risk and reward in | Risk Management & Corporate Governance | 4 |

| Committee | No. of Members | | | Committee Charter | Functions | Key Responsibilities | Power Executive Director (ED) Executive Director (ED) Executive Director (ED) |
|---|---|---|---|---|---|---|---|
| | Executive Director (ED) | Non-executive Director (NED) | Independent Director (ID) | | | | |
| | | | | | both ongoing and new business activities in compliance as well with the Corporate Governance policies. | | |
| Related Party Transactions Committee | 2 | 0 | 2 | Ensure that every Related Party Transaction is conducted in a manner that will protect the Company and its stakeholders from conflict of interest which may arise between the Company and its Related Parties; | Ensure that every Related Party Transaction is at arms' length, the terms are fair, and they will inure to the best interest of the Company, its stakeholders, subsidiaries and affiliates | Related Party Transactions Committee | 2 |

## 2. Committee Members

### (a) Executive Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Term |
|---|---|---|---|---|---|---|
| Chairman | Jose E.B. Antonio | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (ED) | John Victor R. Antonio | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (ED) | Jose Marco R. Antonio | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (ED) | Rafael G. Yaptinchay | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (ED) | Jose Carlo R. Antonio | June 30, 2023 | 4 | 4 | 100 | 1 yr |

## (b) Audit Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Term |
|---|---|---|---|---|---|---|
| Chairman (ID) | Stephen CuUnjieng | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (ID) | Carlos C. Ejercito | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (ED) | Jose Carlo R. Antonio | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (ED) | Jose Marco R. Antonio | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (NED) | Rafael G. Yaptincahy | June 30, 2023 | 4 | 4 | 100 | 1 yr |

## (c) Committee on Strategy & Growth

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Term |
|---|---|---|---|---|---|---|
| Chairman (ID) | Aileen Christel U. Ongkauko | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ID) | Stephen T. CuUnjieng | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ED) | Jose E.B. Antonio | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ID) | David L. Almirol, Jr. | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ED) | Jose Marco R. Antonio | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ED) | Jose Carlo R. Antonio | June 30, 2023 | 2 | 2 | 100 | 1 yr |

## (d) Risk Management & Corporate Governance Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Term |
|---|---|---|---|---|---|---|
| Chairman (ID) | Jose L. Cuisia, Jr. | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ED) | Jose E.B. Antonio | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ED) | Jose Marco R. Antonio | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ED) | John Victor R. Antonio | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ED) | Rafael G. Yaptinchay | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (NED) | Ricardo P. Cuerva | June 30, 2023 | 2 | 2 | 100 | 1 yr |

## (e) Related Party Transactions Committee

**Provide the same information on all other committees constituted by the Board of Directors:**

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Term |
|---|---|---|---|---|---|---|
| Chairman (ID) | Carlos C. Ejercito | June 30, 2023 | 1 | 1 | 100 | 1 yr |
| Member (ID) | Jose L. Cuisia, Jr. | June 30, 2023 | 1 | 1 | 100 | 1 yr |
| Member (ID) | Aileen Christel U. Ongkauko | June 30, 2023 | 1 | 1 | 100 | 1 yr |
| Member (ED) | Jose Marco R. Antonio | June 30, 2023 | 1 | 1 | 100 | 1 yr |
| Member (ED) | Jose Carlo R. Antonio | June 30, 2023 | 1 | 1 | 100 | 1 yr |
| Member (NED) | Hilda R. Antonio | June 30, 2023 | 1 | 1 | 100 | 1 yr |

## EXECUTIVE OFFICERS

The Executive officers of the Company as of December 31, 2023 are as follows:

| Name of Director | Position | Age |
|---|---|---|
| Amb. Jose E.B. Antonio* | Executive Chairman of the Board | 77 |
| John Victor R. Antonio* | Vice Chairman | 51 |
| Jose Marco R. Antonio* | Director and President & CEO | 49 |
| Jose Carlo R. Antonio* | Co-Managing Director | 40 |
| Rafael G. Yaptinchay* | Co-Managing Director | 73 |
| Atty. Danny E. Bunyi* | Corporate Secretary | 58 |
| Carlos Benedict K. Rivilla, IV* | Assistant Corporate Secretary/Vice-President for Corporate Affairs | 52 |
| Ponciano S. Carreon | Chief Financial Officer / Corporate Treasurer/ Investor Relations Officer | 49 |
| Julliene Cruz | Group Head for Corporate Communications | 40 |
| Atty. Isabelita Ching Sales | Group Head for Legal Services and Corporate Affairs, Chief Information and Chief Compliance Officer | 44 |
| Ritchelle T. Cordero | Group Head for Human Resources and Administration | 43 |

(4) Family Relationships

Except for Messrs. Jose E.B. Antonio, John Victor R Antonio, Jose Marco R. Antonio and Jose Carlo R. Antonio and Mrs. Hilda R. Antonio, none of the above indicated Directors and Senior Officers are bound by any familial relationships with one another up to the fourth civil degree, either by consanguinity or affinity.

Messrs. John Victor R Antonio, Jose Marco R. Antonio and Jose Carlo R. Antonio are brothers while Mr. Jose E.B. Antonio is their father and Mrs. Hilda R. Antonio is their mother.

(5) Board and Executive Officers Orientation and Education Program

Under the Company's Corporate Governance manual and best practice, all new directors and senior officers are required to take the orientation on good governance and risk management.

**In-house training and external courses attended by Directors and Executive Officers for the past years:**

▪ Corporate Governance Orientation Course for Directors and Officers – August 2011, conducted by Sycip Gorres and Velayo

▪ ISO Training Seminar for Systems and Data – May 2012, Neville Clark Inc.
▪ Strategic Planning Seminar – July 2012, In-house, Corporate Planning Group
▪ Risk Management Seminar – October 2012, Ateneo Graduate School of Business
▪ Corporate Governance Seminar for Directors and Key Officers – November 2014, Philippine Stock Exchange
▪ Annual Corporate Governance Training Program – November 2015, Institute of Corporate Directors
▪ SEC Corporate Governance Forum – August 2016, SEC
▪ Annual Corporate Governance Training Program – September 2017, Institute of Corporate Directors
▪ Annual Corporate Governance Training Program – December 19, 2018, Institute of Corporate Directors
▪ Annual Corporate Governance Training Program – September 2019, Institute of Corporate Directors
▪ Corporate Sustainability Reporting – March 15, 2021, University of Asia and the Pacific – Center for Social Responsibility
▪ Sustainability Summit and Training – April 30, 2021, University of Asia and the Pacific – Center for Social Responsibility
▪ Anti-Money Laundering/Counter-Terrorist Financing Fundamentals – July 12, 2022 – Anti-Money Laundering Council
▪ Anti-Money Laundering/Counter-Terrorist Financing – November 24, 2022 - Anti-Money Laundering Council
▪ 2022 Public Corporate Governance – December 15, 2022 - Sycip Gorres Velayo and Company
▪ 2023 Corporate Governance on Cyber Security, Blockchain and Data Analytics and Artificial Intelligence – December 13, 2023 - Sycip Gorres Velayo and Company

(6) Involvement in Certain Legal Proceedings

During the past five (5) years up to the latest date immediately preceding the issuance of this Information statement, none of the Company's directors or executive officers were (i) involved in any bankruptcy proceedings; (ii) convicted by final judgment in any criminal proceedings; (iii) subject to any order, judgment or decree of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business or securities, commodities or banking activities; and (iv) found in a civil action by any court or administrative body to have violated a securities or commodities law. The Company has no knowledge of any material pending criminal legal proceeding to which any of its directors or executive officers is a party, or to which any of their property is subject.

(7) Certain Relationships and Related Transactions

The Company has not during the last two (2) years engaged in any transaction where any of its directors, senior officers, stockholders owning ten percent (10%) or more of its total outstanding shares, or members of their immediate families had or is to have direct or indirect material interest.

For related transactions, the Group in their regular conduct of business has entered into transactions with related parties principally consisting of advances and reimbursement of expenses, development, management, marketing, leasing and administrative service agreements that are thoroughly discussed in Note 30 of the Audited Consolidated Financial Statements as attached which forms part and parcel of the Information.

Under Note 15 of the Audited Financial Statement, the Company states that there have been no guarantees provided or received for any related party receivables or payables. The Group does not provide allowance relating to receivable from related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

(7) List all parents of the registrant showing the basis of control and as to each parent, the percentage of voting securities owned or other basis of control by its immediate parents if any.

| Parent | No. of Shares Held | Percentage of Shares Held |
|---|---|---|
| Century Properties Inc. | 6,311,104,949 – direct<br>1,601,729,998 - indirect | 68.22% |

**Compensation of Directors and Executive Officers**

(a) Compensation of Directors and Senior Officers

**SUMMARY COMPENSATION**

Information as to the aggregate compensation paid or accrued during the last two fiscal years and to be paid in the ensuing fiscal year to the Company's CEO and most highly compensated officers is as follows:

| Name and Principal Position | Year | Salary | Bonus | Other Annual Compensation |
|---|---|---|---|---|
| Aggregate executive compensation for CEO and top 4 Most Highly Compensated Officers/ Directors* | Projected 2024 | 71,798,172.35 | 10,192,509.37 | 0 |
| | Actual 2023 | 67,734,124.85 | 9,265,917.61 | 0 |
| | Actual 2022 | 67,257,904.52 | 0.00 | 0 |
| | Actual 2021 | 67,175,110.12 | 0.00 | 0 |
| Aggregate executive compensation all other officers unnamed | Projected 2024 | 27,259,060.35 | 5,961,985.00 | 0 |
| | Actual 2023 | 25,716,094.67 | 5,419,986.37 | 0 |
| | Actual 2022 | 23,929,908.77 | 0.00 | 0 |
| | Actual 2021 | 26,981,041.72 | 333,861.10 | 0 |

**These include Jose Marco Antonio (President and Chief Executive Officer), Jose Eduardo Antonio, Jose Carlo Antonio, John Victor Antonio, and Rafael Yaptinchay.*

- **Five (5) members of management who are <u>not</u> at the same time executive directors and indicate the total remuneration received during the financial year:**

| Name of Officer/Position | Salary | Bonus | Total |
|---|---|---|---|
| Ponciano S. Carreon, Jr. | 25,716,094.67 | 5,419,986.37 | 31,136,081.04 |
| Ritchelle T. Cordero | | | |
| Carlos Benedict K. Rivilla | | | |
| Isabelita C. Sales | | | |
| Julienne M. Cruz | | | |

<u>NOTES:</u>

1. The Company does not have any standard arrangement or other arrangements with its executive directors and, as previously mentioned, the executive directors of the Company do not receive any compensation for acting in such capacity, except for the independent directors who receives a monthly fee of One Hundred Thousand Pesos (₱100,000.00) each for board meetings, special meetings and board committee meetings. As regards the employment contracts between the Company and the executive officers, the Company employs the same standard employment contract applicable to all its officers and employees. The Company has not issued and/or granted stock warrants or options in favor of its officers and employees.

2. Except for the per diem being paid to its independent directors, there are no other arrangements for the payment of compensation or remuneration to the directors in their capacity as such. Total Per diem paid to Board of Directors for attending the Board and Committee Meetings totals Php5.6M for the year 2023.

Description of Any Standard Arrangement - The employment contracts between the Company and its senior officers are the same as the standard employment contract applicable to all other employees and officers. Stock warrants and/or options have not been issued in favor of any officer or employee.

Description of Material Terms of Any Other Arrangement - On May 16, 2013 the Board of Directors approved the establishment of the Employee Stock Grant Program for all regular employees. All shares to be allocated under the ESGP shall be derived from the unissued shares of CPGI and up to 2% of the outstanding shares shall be granted. The ESGP was approved on May 21, 2013 by the Nomination and Remuneration Committee and subsequent board approval was made on the amendments of the ESGP policy in the determination of the valuation price per share subject ratified by the shareholders representing 2/3 of the outstanding capital stock of the Corporation during the last annual stockholders' meeting on July 23, 2014.

(b) Bonus, profit sharing or other compensation plan, contract or arrangement with any director, nominee, or executive officer: None.

(c) Pension or retirement plan

All regular employees who have reached the age of fifty (50) and have served the Company for at least ten (10) years may, subject to mutual agreement, avail of an early retirement plan and be entitled to early retirement benefits equivalent to the average salary received during the last six (6) months in service multiplied by the years of credited service.

All regular employees who have reached the mandatory retirement age of sixty-five (65) shall be entitled to mandatory retirement benefits equivalent to the average salary received during the last six months in service multiplied by the years of credited service.

(d) Option/s, warrant/s or right/s to purchase any securities, other than warrants or rights issued to security holders

The Company has not extended nor granted any option/s, warrant/s or right/s to purchase any securities to any director or senior officer.

**Significant Employees**

There are no persons, other than the directors and executive officers, who are expected to make a significant contribution to the business of the Company.

**Independent Public Accountants**

On June 30, 2023, at the Annual Stockholders' Meeting of the Company, the stockholders approved the re-appointment of SGV and Co. as the external auditor of the Company for the incumbent year and to serve as such until their successor shall have been appointed and qualified in compliance with SRC Rule 68.

On May 14, 2024 the Board of Directors held a meeting to approve the endorsement of the Audit Committee for the appointment of SGV as external auditors of the Corporation for the ensuing year to be ratified on the next Annual Stockholder Meeting on June 28, 2024.

The representatives of our current external auditor, SGV and Co. are expected to be at the Annual Stockholders Meeting and shall have the opportunity to make a statement and/or address any queries that may arise from the meeting.

Pursuant to the General Requirements of SRC Rule 68), Par. 3 (Qualifications and Reports of Independent Auditors), the Company has engaged SGV & Co. as external auditor. SGV has appointed Ms. Ma. Emilita L. Villanueva as Partner-In-Charge.

There have been no disagreements with the current and previous accountants on accounting and financial disclosures.

*Audit and Audit Related Fees*

The following table sets out the aggregate fees billed for each of the last three fiscal years and interim third quarter 2023 for professional services rendered by SGV & Co.

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Audit and audit-related fees | ₱9.4 million | ₱8.6 million | ₱7.8 million |

The Audit Committee recommends to the Board of Directors the discharge or nomination of the external auditor to be proposed for shareholder approval at CPGI's annual shareholders meeting, approve all audit engagement fees and terms of the external auditor, and review its performance. It also reviews and discusses with management and the external auditors the results of the audit, including any difficulties encountered. This review includes any restrictions on the scope of the external auditor's activities or on access to requested information, and any significant disagreements with Management.

The Audit Committee also evaluates, determines and pre-approves any non-audit service provided to the Company and its subsidiaries by the external auditors and keeps under review the non-audit fees paid to the external auditors both in relation to their significance to the auditor and in relation to the total expenditure on consultancy.

No engagement for other services from SGV and Co. either for professional services, tax accounting compliance, advise and planning nor any services rendered for products and services other than the aforementioned audit services reported in 2023.

*Tax Fees*

Other than the above, SGV & Company has not provided any professional service relative to tax accounting, compliance, advice, planning and any other form of tax services for the year 2021 to 2023.

*All Other Fees*

SGV & Company has been engaged by the Group to review its Q3 2023 financial statements for the CPG Preferred Shares Offering. All other fees are for the audit of the Group's financial statements.

*Approval Policies of Audit Committee*

The engagement of the external auditors is recommended by the Audit Committee for approval of the Company's stockholders pursuant to the Code of Corporate Governance. As discussed, on May 11, 2023, the Audit Committee passed a resolution recommending to the stockholders of the Company the appointment of Sycip Gorres Velayo & Company as the external auditor of the Company for the incumbent year.

Previously, on June 30, 2023, the stockholders passed a resolution approving the appointment of SGV and Co. as the Company's external auditor for the period ending on December 31, 2023.

**Compensation Plans**

No action is proposed to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

**C. ISSUANCE AND EXCHANGE OF SECURITIES**

**Authorization or Issuance of Securities Other than for Exchange**

Each common share entitles the holder to one vote. At each meeting of the stockholders, each stockholder entitled to vote on a particular question or matter involved shall be entitled to vote for each share of stock standing in his name in the books of the Company as of record date.

Each holder of common shares shall be entitled to such dividends as may be declared by the Board of Directors on the basis of outstanding stock held by them. The Board of Directors is authorized to declare dividends which shall be declared and paid out of the Company's unrestricted retained earnings. A cash dividend does not require any further approval from the stockholders. A stock dividend shall require the further approval of the stockholders representing at least two-thirds of the Company's outstanding capital stock.

Under the Company's Amended Articles of Incorporation, holders of common stock have waived their pre-emptive right. There is no provision in the Company's Amended Articles of Incorporation or By-Laws that would delay, defer or prevent a change in control of the Company.

On February 20, 2012, CPGI, together with (CPI) and APG Strategic Real Estate Pool N.V. (APG), a Netherlands-based pension firm entered into a Purchase Agreement wherein CPI sold its 868,316,042 CPGI shares of stock in favor of APG. This transaction was pursuant to the convertible bond issued by CPI to APG in January 2011. Instead of converting the convertible bond into shares of CPI, APG and CPI entered into a Purchase Agreement under which APG purchased the convertible bond from CPI. The consideration consists of (i) 868,316,042 CPGI shares owned by CPI and (ii) cash consideration. As a result of such transaction, CPI retired the convertible bond concurrently with the sale of the CPGI shares to APG.

On January 07, 2013, the Company approved the Treasury Buyback Program of up to Eight Hundred Million (800,000,000) shares for a time period of twenty-four (24) months starting January 2013 from any stockholders who opt to divest their shareholdings in the Company subject to further shareholders approval in the next Annual or Special Stockholders meeting.

On March 05, 2013, CPI closed on a Placing and Subscription Transaction wherein it sold 800,000,000 million shares of stock in CPGI to investors ("Placing transaction") at a price of P2.05 per share. The top up placing and subscription transaction was implemented primarily to fund the company's continued growth in land bank within Metro Manila, and expand its projects in key select secondary cities outside Metro Manila.

Concurrently, CPI and the Company entered into the Subscription Agreement relating to the subscription by CPI to 800,000,000 new common shares of the Company ("Subscription transaction"). As a result of the Placing and Subscription Transaction the Company's public float increased from 27.3% to 33.3%.

On May 16, 2013 the Board of Directors approved the Amendment of the Articles of Incorporation for purposes of Increase in Authorized Capital Stock from 10 Billion shares to 18 Billion Shares with the Declaration of 25% of Stock Dividends equivalent to 2 Billion common shares amounting to Php 1,060,000,000 to be taken out of the Corporation's retained earnings. This amount represents at least the minimum 25% subscribed and paid-up capital for the increase of the authorized capital stock from 10 Billion to 18 Billion common shares.

On May 21, 2013, the Nomination and Remuneration Committee approved and endorsed the Employee Stock Grant Program for all regular employees of the Corporation to provide long term reward proposition and motivate regular employees for higher level of performance. All shares to be allocated under the ESGP shall be derived from the unissued shares of the Corporation and up to 2% of the outstanding shares shall be granted. The ESGP was approved and ratified by 2/3 of the shareholders present and by proxy during the Annual Stockholders Meeting held last July 01, 2013.

On June 29, 2017, the Stockholders approved the reclassification of 3,000,000,000 common shares to preferred shares, the par value of which was amended from Php1.00 to Php0.53. On October 4, 2019, the Board authorized the Company to issue 20,000,000 Preferred A with an oversubscription option of up to 10,000,000 Preferred A at an Offer Price of ₱100.00 per Preferred Share which was approved by the SEC last November 8, 2019 and listed in the PSE last January 10, 2020.

RECENT TRANSACTIONS

Issuance of ₱3 Billion Fixed Rate Retail Bonds

On 17 March 2023, CPGI issued and listed with the PDEx a total of ₱3,000,000,000 Fixed Rate Retail Bonds comprising of 6.5760% per annum three (3) year fixed rate bonds ("Series A Bonds"), 7.4054% per annum five (5) year fixed rate bonds ("Series B Bonds") and 7.6800% per annum seven (7) year fixed rate bonds ("Series C Bonds"). The bond issuance is the second tranche of the Company's ₱6,000,000,000.00 Debt Securities Program Shelf Registration with the SEC under SEC Order No. 5, Series of 2022. The bonds have been rated "AA+" by Credit Rating and Investor Services Philippines Inc. (CRISP).

The proceeds from the issuance of the bonds were used primarily: (i) to partially finance the redemption of CPGP Preferred Shares with dividend rate of 6.7177%; (ii) to fund capital expenditures for new horizontal affordable housing developments; and (iii) to fund general corporate requirements.

Acquisition of Shares of Mitsubishi Corporation in PHirst Park Homes Inc.

On 31 May 2023, the Board of Directors of CPGI approved the acquisition of the 40% shareholdings or One Billion Sixty Million (1,060,000,000) common shares with a par value of One Peso (₱1.00) per share and Two Hundred Sixty-Five Thousand (265,000) Preferred B shares with a par value of One Thousand Pesos (₱1,000.00) per share of Mitsubishi Corporation in PPHI. The Philippine Competition Commission has approved the above transaction on 9 August 2023.

PPHI was incorporated on 31 August 2018, and is the first-home division and brand of CPGI. Its projects are located within the fringes of Metro Manila and its target market is first-time homebuyers. Its current projects are located at Lipa and Batulao in Batangas, San Pablo and Calamba in Laguna, Naic, General Trias and Tanza in Cavite, Baliwag and Pandi in Bulacan, Tayabas in Quezon, Magalang in Pampanga, Balanga in Bataan and Gapan Nueva Ecija, which involve a multi-phase horizontal residential property and offer both Townhouse units & Single Attached units. PPHI is a joint venture project between Century Properties Group Inc. and Mitsubishi Corporation with a 60-40% shareholding, respectively.

On 24 November 2023, the Company has concluded the acquisition of 40% shareholdings or One Billion Sixty Million (1,060,000,000) common shares at ₱1.09 per share and Two Hundred Sixty-Five Thousand (265,000) Preferred B shares at ₱1,085.28 per share of Mitsubishi Corporation, with a total acquisition price of One Billion Four Hundred Thirty Eight Million Pesos Only (₱1,438,000,000.00) paid in cash. A Deed of Absolute Sale of Shares was executed by Mitsubishi Corporation in favor of CPGI.

Redemption of ₱3 Billion Preferred Shares

On 10 July 2023, CPGI fully redeemed its ₱3,000,000,000.00 cumulative, non-voting, non-convertible, non-participating, non-convertible, redeemable Peso-denominated Preferred Shares ("CPGP Preferred Shares") issued by the Company and listed on the PSE on 10 January 2020.

The Company's Board of Directors approved the optional redemption of the CPGP Preferred Shares in its special board meeting last 12 May 2023. The CPGP Preferred Shares were redeemed at its redemption price of One Hundred Pesos (₱100.00) per share, pursuant to the terms set out in the Prospectus dated 12 December 2019.

**D. FINANCIAL AND OTHER INFORMATION**

Please see attached Annex "A" – Annual Management Report as of December 31, 2023 with the accompanying audited consolidated financial statements as of period ended 31 December 2023; Annex "B" Management Report as of March 31, 2024 (unaudited);

**E. AMENDMENT OF THE ARTICLES OF INCORPORATION**

The Chairman informed the Board that there is a need to amend ARTICLE 5 and ARTICLE 6, SECTION 2 ON REDEMPTION OF PREFERRED SHARES, of the Company's Amended Articles of Incorporation, as follows:

**A. Amendment of Article 5 of the Amended Articles of Incorporation to change the number of Directors from Twelve (12) to Eleven (11). The Board of Directors unanimously approved and resolved:**

> "RESOLVED that the Board of Directors of Century Properties Group Inc. hereby approves the amendments of Article 5 of the Company's Amended Articles of Incorporation, to read as follows:
>
> ***FIFTH: That the number oof directors of the said Corporation shall be Eleven (11) (As amended by the Board of Directors on June 8, 2021 and approved by the Majority of the Stockholders of CPGI on July 26, 2021 and further amended by the Board of Directors on May 14, 2024, subject to the approval of the Majority of the Stockholders of the Corporation on June 28, 2024)***

**B. Amendment of Article 6, Section 2 of the Amended Articles of Incorporation, specifically on the provision for Redemption of Preferred Shares. The Board of Directors unanimously approved and resolved:**

> "RESOLVED that the Board of Directors of Century Properties Group Inc. hereby approves the amendments of Article 6, Section 2 specifically on the Redemption of Preferred Shares, of the Company's Amended Articles of Incorporation, to read as follows:

***SIXTH: x x x***

***Redemption***

***The Preferred Shares shall be redeemable at the option of the Corporation at such times and prices as may be determined by the Board of Directors at the time of issue, which price may not be less than the par value thereof plus accrued dividends. Any shares redeemed or purchased by the Corporation shall be deemed and recorded as retired and maybe reissued at the option of the Company. The Board of Directors shall determine the terms and conditions of a retirement or a sinking fund, if any, for the purchase or redemption of the shares for such series. (As amended by the Board of Directors on May 14 and 27, 2004, subject to the approval of the Majority of the Stockholders of the Corporation on June 28, 2024)***

"RESOLVED FURTHER, that the proper officers of the Corporation are hereby authorized and directed to execute and file the proper certificates of the proceedings of this meeting, to execute, sign, and file any and all documents which may be required by the Securities and Exchange Commission, Philippine Stock Exchange, and other government agencies and to do all actions and things as may be necessary to comply with the provisions of the Corporation Code of the Philippines, Securities Regulation Code and other regulations relating to the subject matter of this resolution."

"RESOLVED FINALLY", that a copy of these resolutions be furnished the entity concerned".

**Rationale for the Amendments:**

The reduction of the number of directors is meant to streamline and make the board more manageable, and at the same time giving priority to the expertise of the directors that is relevant to the Company's industry.

The amendment on the redemption provision is undertaken to remove the redeemed and re-acquired preferred shares from the treasury stocks of the Corporation

**E. OTHER MATTERS**

**Action with Respect to Reports**

The following shall be presented for approval during the annual stockholders' meeting:

A. Minutes of the Annual stockholders' meeting held on June 30, 2023 attached as part of the Exhibits in this report, as copied hereinbelow.

In compliance to the rules and regulations for publicly listed corporations, Century Properties Group Inc. (CPGI or the "Company") would like to inform the Securities and Exchange Commission and the Philippine Stock Exchange that at the Annual Stockholders' Meeting held today, JUNE 30, 2022, the following events transpired and the following resolutions were unanimously approved:

PRESENT:

| | Number of Shares | Percentage |
|---|---|---|
| Total Shares Present (in person or by Proxy) | 9,093,588,156 | 78.40% |
| Total Outstanding Shares (Treasury shares) | 11,599,600,690 (100,123,000) | |

- As of Record Date: May 26, 2023

I. CALL TO ORDER

The Corporation's Chairman, Mr. Jose E.B. Antonio, called the meeting to order. The Corporate Secretary Atty. Danny E. Bunyi, , recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that notices of this annual stockholders' meeting, together with the agenda thereof and the Definitive Information Statement, were duly sent to all the stockholders of the Corporation of record date as of May 26, 2023, and that a quorum existed for the transaction of such business as may properly come before the meeting, there being present (in person or by proxy) the stockholders representing 9,093,588,156 shares of the Corporation, constituting approximately 78.40% of the Corporation's total outstanding capital stock.

III. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS HELD ON JUNE 27, 2022

Upon motion duly made and seconded, the reading of the minutes of the special meeting of the stockholders of the Corporation held on JUNE 27, 2022 was dispensed with and the said minutes were approved as presented

IV. REPORT OF THE PRESIDENT TO THE STOCKHOLDERS, MANAGEMENT REPORT AND PRESENTATION OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2022

The Chairman presented his report to the stockholders of the Corporation for the year 2022, the results of operations, management report inclusive of the presentation of the 2022 Audited Financial Statements.

After discussions between the stockholders present and the panel of directors and officers of the Corporation, the board duly noted clarifications and questions raised by each stockholder. Then upon motion duly made and seconded, the report of the Chairman was noted and the Audited Financial Statements of the Corporation for fiscal year 2022 was approved.

V. CONFIRMATION AND RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS AND OFFICERS OF THE CORPORATION

The Chairman notified the stockholders of the need to ratify specific acts and proceedings of the Board of Directors and its Corporate Officers relative to business operations of the Corporation.

Upon motion duly made and seconded, each and every legal act, proceeding, contract or deed performed, entered into or executed by the Corporation's Board of Directors and Officers since JUNE 27, 2022, as appearing in the minutes of the meetings of the Board of Directors and other records of the Corporation have been approved, confirmed and ratified as if such acts were entered into or executed with the specific and special authorization of the stockholders in a meeting duly convoked and held.

VI. ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS

The Chairman advised the stockholders of the need to elect members of the Corporation's Board of Directors for the ensuing year and until their successors shall have been elected and qualified. Upon motion duly made and seconded, the following persons were elected as Directors:

1. Jose E.B. Antonio
2. John Victor R. Antonio
3. Jose Marco R. Antonio
4. Jose Carlo R. Antonio
5. Ricardo P Cuerva
6. Rafael G. Yaptinchay
7. Hilda R. Antonio
8. Jose L. Cuisia Jr – Independent Director
9. Stephen T. CuUnjieng – Independent Director
10. Carlos C. Ejercito – Independent Director
11. Aileen Christel U. Ongkauko – Independent Director

VII. APPOINTMENT OF EXTERNAL AUDITORS

The Chairman informed the stockholders of the need to appoint an external auditor of the Corporation. The Chairman said that the auditing firm of SGV and Company was recommended by the Audit Committee and endorsed by the Board of Directors of the Corporation. Upon motion duly made and seconded, the following resolution was unanimously approved by the stockholders:

"RESOLVED, that the Corporation appoints SGV and Company as its external auditor for the ensuing year and to serve as such until its successor shall have been appointed and qualified."

VIII. AMENDMENT OF ARTICLE I OF THE COMPANY'S AMENDED BY-LAWS

The Chairman discussed to the stockholders that the ratification for approval of shareholders is being secured amend Article I under the Company's By-Laws to read as follows:

Upon motions duly seconded, the following resolutions as resolved by the Board of Directors during its May 11, 2023 Board Meeting was approved and ratified by the Stockholders present in person or by proxy owning at least two thirds (2/3) of the outstanding capital stock of the Corporation

"RESOLVED that the Board of Directors of Century Properties Group Inc. hereby approves the amendments of Article 1 under the Amended By-Laws of Century Properties Group Inc. to read as follows:

ARTICLE I
Office

The principal office of the Corporation shall be located at the 35/F Century Diamond Tower, Century City, Kalayaan Avenue, Makati City. The Corporation may have offices at such other places of business in the Philippines or in foreign countries as the Board may, from time to time, designate. (As amended by the Board of Directors on its special meeting on May 11, 2023 and subject to the approval of the Majority Stockholders of CPGI on June 30, 2023).

"RESOLVED FURTHER, that the proper officers of the Corporation are hereby authorized and directed to execute and file the proper certificates of the proceedings of this meeting, to execute, sign, and file any and all documents which may be required by the Securities and Exchange Commission, Philippine Stock Exchange, and other government agencies and to do all actions and things as may be necessary to comply with the provisions of the Corporation Code of the Philippines, Securities Regulation Code and other regulations relating to the subject matter of this resolution."

"RESOLVED FINALLY", that a copy of this resolution be furnished the entity concerned".

IX. ADJOURNMENT

There being no other matter to discuss and business to transact, the meeting was adjourned at 10:58 a.m.

- **VOTING RESULTS FOR THE STOCKHOLDERS' MEETING HELD ON JUNE 30, 2023:**

  **Voting Procedures during the Stockholders' Meeting held last June 30, 2023:**

  (a) Vote Required

  All matters subjected to vote during the shareholder's meeting on June 30, 2023 required the vote of majority of the shareholders, either in absentia or by proxy, and entitled to vote thereat, where a a quorum was present, except for the (a) amendments to the Amended By-laws which required the vote of at least two-thirds of the outstanding capital stock of the Company.

  (b) Electronic Voting in Absentia

  There was no physical meeting. Stockholders attended and participated in the meeting by remote communication. Stockholders voted electronically in absentia, subject to validation procedures.

  The instructions, procedures and requirements for electronic voting in absentia and participation by remote communication were sent to the email address provided in the stockholder's registration from.

ELECTRONIC VOTING IN ABSENTIA

REALTIME RESULT

| PROPOSAL | FOR | AGAINST | ABSTAIN |
|---|---|---|---|
| 1. Approval of the minutes of the 2021 Annual Stockholders' Meeting held on June 27, 2022 | 9,091,451,156 | 0 | 2,137,000 |
| 2. Presentation and approval/ratification of the 2022 Reports and Audited Financial Statements for year ended December 31, 2022 | 9,084,359,156 | 0 | 9,229,000 |
| 3. Ratification of the acts of the Board of Directors and of Management; To approve, ratify and confirm all previous acts of the Board from 31 May 2022 to 30 May 2023 | 9,091,451,156 | 0 | 2,137,000 |
| ELECTION OF DIRECTORS | FOR | DO NOT VOTE | WITHHOLD AUTHORITY TO VOTE |
| JOSE E. B. ANTONIO | 9,086,536,156 | 7,052,000 | 0 |
| JOHN VICTOR R. ANTONIO | 9,086,536,156 | 7,052,000 | 0 |
| JOSE MARCO R. ANTONIO | 9,086,536,156 | 7,052,000 | 0 |
| JOSE CARLO R. ANTONIO | 9,086,536,156 | 7,052,000 | 0 |
| RICARDO P. CUERVA | 9,086,536,156 | 7,052,000 | 0 |
| RAFAEL G. YAPTINCHAY | 9,086,536,156 | 7,052,000 | 0 |
| HILDA R. ANTONIO | 9,093,588,156 | 0 | 0 |
| INDEPENDENT DIRECTORS | FOR | DO NOT VOTE | WITHHOLD AUTHORITY TO VOTE |
| JOSE CUISIA | 9,086,536,156 | 7,052,000 | 0 |
| STEPHEN CUUNJIENG | 9,093,588,156 | 0 | 0 |
| CARLOS C. EJERCITO | 9,093,588,156 | 0 | 0 |
| AILEEN CHRISTEL U. ONGKAUKO | 9,093,588,156 | 0 | 0 |

| PROPOSAL | FOR | AGAINST | ABSTAIN |
|---|---|---|---|
| 5. Appointment of Sycip Gorres, Velayo & Co. as External Auditors | 9,084,399,156 | 9,189,000 | 0 |
| 6. Other Matters:<br><br>i. Amendment of Article 1 of the Amended By-Laws of Corporation to change the principal place of business<br>from: 21/F Pacific Star Bldg., Sen, Gil Puyat Avenue corner Makati Avenue, Makati City<br>to: 35/F Century Diamond Tower, Century City, Kalayaan Avenue, Makati City | 9,086,496,156 | 7,092,000 | 0 |
| 7. Consideration of such other business as may properly come before the meeting | 9,086,496,156 | 0 | 7,092,000 |

B. Audited financial statements of the Company and its subsidiaries for the fiscal year ended 31 December 2023

**AGENDA FOR THE STOCKHOLDERS' MEETING ON JUNE 28, 2024:**

1. Call to order
2. Certification of notice and the existence of a quorum
3. Approval of the minutes of the Annual Stockholders' Meeting held on JUNE 30, 2023
4. Annual Report of the President
5. Ratification of all Acts and Proceedings of the Board of Directors and Corporate Officers, including the Ratification of the Written Assent issued by Majority of the stockholders last November 13, 2023
6. Approval of the 2023 Audited Consolidated Financial Statements of the Corporation
7. Election of Members of the Board of Directors and extension of term for 3 Independent Directors
8. Appointment of External Auditor for 2024
9. Other Matters
   A. *Amendment of Article 5 of the Amended Articles of Incorporation to change the number of Directors from Twelve (12) to Eleven (11)*
   B. *Amendment of Article 6, Section 2 of the Amended Articles of Incorporation, specifically on the provision for Redemption of Preferred Shares, to wit:*

***from:*** *Redemption*

*The Preferred Shares shall be redeemable at the option of the Corporation at such times and prices as may be determined by the Board of Directors at the time of issue, which price may not be less than the par value thereof plus accrued dividends. Any shares redeemed or purchased by the Corporation shall be recorded as treasury stock and may be reissued in the future. The Board of Directors shall*

*determine the terms and conditions of a retirement or a sinking fund, if any, for the purchase or redemption of the shares for such series.*

***to:*** *Redemption*

*The Preferred Shares shall be redeemable at the option of the Corporation at such times and prices as may be determined by the Board of Directors at the time of issue, which price may not be less than the par value thereof plus accrued dividends.* ***Any shares redeemed or purchased by the Corporation shall be deemed and recorded as retired and may be reissued at the option of the Company.*** *The Board of Directors shall determine the terms and conditions of a retirement or a sinking fund, if any, for the purchase or redemption of the shares for such series.*

10. Adjournment

**Other Matters Not Required to be Submitted**

In order to adequately apprise the stockholders, the President will present an annual report to the Stockholders.

The acts of the Board of Directors covering the period between the period 15 May 2023 to May 15, 2024 shall also be submitted to the stockholders for ratification for the purpose of formally obtaining their support therefor. In the event that a negative vote is registered, the Board of Directors and management reserves the option to disregard such vote entirely or study the matter further.

Hereunder is a brief summary /partial list of the acts and proceedings of the Board of Directors and management to be submitted for ratification by the stockholders:

<table>
<tr><td>May 15, 2023</td><td>Official Press release entitled:<br>CENTURY PROPERTIES' REVENUES RISE BY 28%</td></tr>
<tr><td>May 31, 2023</td><td>CPGI would like to inform the Honorable Exchange that at the Special Board Meeting held today, May 31, 2023, the Board of Directors of the Company approved the acquisition of the 40% shareholdings or One Billion Sixty Million (1,060,000,000) common shares with a par value of One Peso (PhP1.00) per share and Two Hundred Sixty Five Thousand (265,000) Preferred B shares with a par value of One Thousand Pesos (PhP1,000.00) per share of MITSUBISHI CORPORATION in PHirst Park Homes Inc. ("PPHI"). The said acquisition is subject to agreed conditions precedent and credit and regulatory approvals, including the Philippine Competition Commission.<br>PPHI was incorporated on August 31, 2018, and is the first-home division and brand of CPGI. Its projects are located within the fringes of Metro Manila and its target market are first-time homebuyers. Its current projects are located at Lipa and Batulao in Batangas, San Pablo and Calamba in Laguna, Naic, General Trias and Tanza in Cavite, Baliwag and Pandi in Bulacan, Tayabas in Quezon, Magalang in Pampanga, Balanga in Bataan and Gapan Nueva Ecija, which involve a multi-phase horizontal residential property and offer both Townhouse units & Single Attached units. PPHI is a joint venture project between Century Properties Group Inc. and Mitsubishi Corporation with a 60-40% shareholding, respectively. After receipt of the favorable Decision from the Philippine Competition Commission, both Parties shall work towards the execution of the Deed of Absolute Sale of Shares and closing the transaction.<br>The Company fully undertakes that it shall duly inform and furnish the Honorable Exchange of all other material information, terms and conditions of the said acquisition, including material documents relative to the above transaction as soon as the Decision from the Philippine Competition Commission is secured.</td></tr>
<tr><td>June 29, 2023</td><td>Results of the Special Board Meeting held on June 29, 2023 the declaration of cash dividends in the aggregate amount of PESOS: ONE HUNDRED FOURTY MILLION, FOUR HUNDRED SEVENTYFIVE THOUSAND AND NINE HUNDRED EIGHT PESOS (PHP140,475,908) for the COMMON SHARES and the payment dates thereof, for the year 2022 were unanimously approved as follows:<br><br>SHARES — RECORD DATE — PAYMENT DATE — DIVIDEND PER SHARE<br>CPG — July 28, 2023 — August 11, 2023 — PHP 0.006055<br>CPG — September 29, 2023 — October 13, 2023 — PHP 0.006055</td></tr>
<tr><td>June 30, 2023</td><td>Results of the Annual Stockholder's Meeting held last June 30, 2023</td></tr>
<tr><td></td><td>The following resolutions were unanimously approved:</td></tr>
<tr><td></td><td>PRESENT:<br><br>Number of Shares — Percentage<br>Total Shares Present (in person or by Proxy) — 9,093,588,156 — 78.40%<br>Total Outstanding Shares(Treasury shares) — 11,599,600,690 (100,123,000)<br>• As of Record Date: May 26, 2023<br>I. CALL TO ORDER<br>The Corporation's Chairman, Mr. Jose E.B. Antonio, called the meeting to order. The Corporate Secretary Atty. Danny E. Bunyi, , recorded the minutes of the proceedings.<br>II. CERTIFICATION OF NOTICE AND QUORUM<br>The Corporate Secretary certified that notices of this annual stockholders' meeting, together with the agenda thereof and the Definitive Information Statement, were duly sent to all the stockholders of the Corporation of record date as of May 26, 2023, and that a quorum existed for the transaction of such business as may properly come before the meeting, there being present (in person or by proxy) the stockholders representing 9,093,588,156 shares of the Corporation, constituting approximately 78.40% of the Corporation's total outstanding capital stock.</td></tr>
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| | III. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS HELD ON JUNE 27, 2022<br>Upon motion duly made and seconded, the reading of the minutes of the special meeting of the stockholders of the Corporation held on JUNE 27, 2022 was dispensed with and the said minutes were approved as presented<br><br>IV. REPORT OF THE PRESIDENT TO THE STOCKHOLDERS, MANAGEMENT REPORT AND PRESENTATION OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2022<br>The Chairman presented his report to the stockholders of the Corporation for the year 2022, the results of operations, management report inclusive of the presentation of the 2022 Audited Financial Statements. |
| | After discussions between the stockholders present and the panel of directors and officers of the Corporation, the board duly noted clarifications and questions raised by each stockholder. Then upon motion duly made and seconded, the report of the Chairman was noted and the Audited Financial Statements of the Corporation for fiscal year 2022 was approved.<br>V. CONFIRMATION AND RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS AND OFFICERS OF THE CORPORATION<br>The Chairman notified the stockholders of the need to ratify specific acts and proceedings of the Board of Directors and its Corporate Officers relative to business operations of the Corporation.<br>Upon motion duly made and seconded, each and every legal act, proceeding, contract or deed performed, entered into or executed by the Corporation's Board of Directors and Officers since JUNE 27, 2022, as appearing in the minutes of the meetings of the Board of Directors and other records of the Corporation have been approved, confirmed and ratified as if such acts were entered into or executed with the specific and special authorization of the stockholders in a meeting duly convoked and held. |
| | VI. ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS<br>The Chairman advised the stockholders of the need to elect members of the Corporation's Board of Directors for the ensuing year and until their successors shall have been elected and qualified. Upon motion duly made and seconded, the following persons were elected as Directors:<br>1. Jose E.B. Antonio<br>2. John Victor R. Antonio<br>3. Jose Marco R. Antonio<br>4. Jose Carlo R. Antonio<br>5. Ricardo P Cuerva<br>6. Rafael G. Yaptinchay<br>7. Hilda R. Antonio<br>8. Jose L. Cuisia Jr – Independent Director<br>9. Stephen T. CuUnjieng – Independent Director<br>10. Carlos C. Ejercito – Independent Director<br>11. Aileen Christel U. Ongkauko – Independent Director |

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| | VII. APPOINTMENT OF EXTERNAL AUDITORS<br>The Chairman informed the stockholders of the need to appoint an external auditor of the Corporation. The Chairman said that the auditing firm of SGV and Company was recommended by the Audit Committee and endorsed by the Board of Directors of the Corporation. Upon motion duly made and seconded, the following resolution was unanimously approved by the stockholders:<br>"RESOLVED, that the Corporation appoints SGV and Company as its external auditor for the ensuing year and to serve as such until its successor shall have been appointed and qualified."<br>VIII. AMENDMENT OF ARTICLE I OF THE COMPANY'S AMENDED BYLAWS<br>The Chairman discussed to the stockholders that the ratification for approval of shareholders is being secured amend Article I under the Company's By-Laws to read as follows:<br>ARTICLE I<br>Office<br>The principal office of the Corporation shall be located at the 35/F Century Diamond Tower, Century City, Kalayaan Avenue, Makati City. The Corporation may have offices at such other places of business in the Philippines or in foreign countries as the Board may, from time to time, designate. (As amended by the Board of Directors on its special meeting on May 11, 2023, and approved by the Majority Stockholders of CPGI on June 30, 2023). |
| | Upon motions duly seconded, the following resolutions as resolved by the Board of Directors during its May 11, 2023 Board Meeting was approved and ratified by the Stockholders present in person or by proxy owning at least two thirds (2/3) of the outstanding capital stock of the Corporation<br>"RESOLVED that the Board of Directors of Century Properties Group Inc. hereby approves the amendments of Article 1 under the Amended By-Laws of Century Properties Group Inc. to read as follows:<br>ARTICLE I<br>Office<br>The principal office of the Corporation shall be located at the 35/F Century Diamond Tower, Century City, Kalayaan Avenue, Makati City. The Corporation may have offices at such other places of business in the Philippines or in foreign countries as the Board may, from time to time, designate. (As amended by the Board of Directors on its special meeting on May 11, 2023, and subject to the approval of the Majority Stockholders of CPGI on June 30, 2023). |
| | "RESOLVED FURTHER, that the proper officers of the Corporation are hereby authorized and directed to execute and file the proper certificates of the proceedings of this meeting, to execute, sign, and file any and all documents which may be required by the Securities and Exchange Commission, Philippine Stock Exchange, and other government agencies and to do all actions and things as may be necessary to comply with the provisions of the Corporation Code of the Philippines, Securities Regulation Code and other regulations relating to the subject matter of this resolution."<br>"RESOLVED FINALLY", that a copy of this resolution be furnished the entity concerned".<br>IX. ADJOURNMENT<br>There being no other matter to discuss and business to transact, the meeting was adjourned at 10:58 a.m. |
| June 30, 2023 | Results of the Organizational Meeting held last June 30, 2023 |
| | The following resolutions were unanimously approved: |

A. The Corporate Secretary certified to the election of the following Directors of the Corporation at the recently concluded Annual Stockholders' Meeting:

1. Jose E.B. Antonio
2. John Victor R. Antonio
3. Jose Marco R. Antonio
4. Jose Carlo R. Antonio
5. Ricardo P Cuerva
6. Rafael G. Yaptinchay
7. Hilda R. Antonio
8. Jose L. Cuisia Jr – Independent Director
9. Stephen T. CuUnjieng – Independent Director
10. Carlos C. Ejercito – Independent Director
11. Aileen Christel U. Ongkauko – Independent Director

B. The Organization of Senior Officers were discussed and upon nominations duly made and seconded, the following persons were unanimously confirmed to the positions set forth after their respective names:

| Name | Position |
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| Jose E.B. Antonio | Executive Chairman |
| John Victor R. Antonio | Vice Chairman |
| Jose Marco R. Antonio | President & CEO |
| Jose Carlo R. Antonio | Managing Director |
| Rafael G. Yaptinchay | Managing Director |
| Atty. Danny E. Bunyi | Corporate Secretary |
| Carlos Benedict K. Rivilla, IV | Assistant Corporate Secretary |
| Atty. Isabelita Ching Sales | Head of Legal Services Group, Chief Information and Chief Compliance Officer |
| Ponciano S. Carreon, Jr | Chief Financial Officer/Corporate Treasurer/ Investor Relations Officer |
| Ritchelle T. Cordero | Head for Human Resources and Administration |
| Julienne M. Cruz | Head for Corporate Communications |

D. Election of members of the Audit Committee, Related Party Transactions Committee, Risk Management and Corporate Governance Committee and the Committee on Strategy and Growth as follows:

Executive Committee:
Jose E.B. Antonio – Chairman of the Committee
Jose Marco R. Antonio – Member
John Victor R. Antonio – member
Jose Carlo R. Antonio – Member
Rafael G. Yaptinchay - Member

Audit Committee:
Stephen CuUnjieng– Chairman of the Committee (Ind.Director)
Carlos C. Ejercito - Member (Ind. Director)
Jose Carlo R. Antonio – Member
Jose Marco R. Antonio - Member
Rafael G. Yaptinchay – Member

Risk Management & Corporate Governance Committee
Jose L. Cuisia, Jr - Chairman of the Committee (Ind. Director)
Jose Marco R. Antonio – Member
Jose E.B. Antonio – Member
John Victor R. Antonio - Member
Rafael G. Yaptinchay – Member
Ricardo P. Cuerva – Member (Non-executive Director)

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| | Committee on Strategy and Growth:<br>Aileen Christel U. Ongkauko - Chairman of the Committee (Ind. Director)<br>Jose E.B. Antonio – Member<br>John Victor R. Antonio – Member<br>Jose Marco R. Antonio – Member<br>Jose Carlo R. Antonio – Member<br>Stephen CuUnjieng – Member (Ind. Director)<br>Related Party Transactions Committee:<br>Carlos C. Ejercito - Chairman of the Committee (Ind. Director)<br>Jose L. Cuisia - Member (Ind. Director)<br>Aileen Christel U. Ongkauko - Member (Ind. Director)<br>Jose Marco R. Antonio – Member<br>Jose Carlo R. Antonio – Member<br>Hilda R. Antonio – Member (Non-executive Director)<br>The Company fully undertakes that it shall furnish the Honorable Exchange all material documentation and filings for the aforementioned resolutions. |
| July 4, 2023 | CPGI would like to inform the Honorable Exchange that the Company has caused the publication last June 19, 2023 of the Notice of Redemption of its Redeemable Peso denominated Preferred Shares ("Preferred Shares" or "CPGP") pursuant to the approval of the Board as disclosed to the Exchange on May 12, 2023. The redemption price for the Preferred Shares shall be at Php100.00 per share, pursuant to the terms set out in the Prospectus, and shall be paid in check on July 10, 2023 to the relevant shareholders of record as of July 5, 2023. |
| July 10, 2023 | CPGI would like to update the Honorable Exchange that the Company has fully redeemed today, July 10, 2023, its P3 Billion Cumulative, Non-Voting, Non-Convertible, Non-Participating, Redeemable Peso-denominated Preferred Shares ("Preferred Shares" or "CPGP") issued by the Company and listed on the Exchange on January 10, 2020. |
| July 10, 2023 | Official Press release entitled:<br>CENTURY PROPERTIES FULLY REDEEMS P3 BILLION PREFERRED SHARES |
| August 7, 2023 | Results of the Board Meeting held last August 7, 2023 |
| | The following were passed: |
| | I. APPROVAL OF THE COMPANY'S FINANCIAL REPORT FOR THE QUARTER ENDING JUNE 30, 2023<br>The Chairman informed the Board that there is a need to approve the Financial Report of the Company for the Quarter ending June 30, 2023. Upon motion made and duly seconded, the following resolution was unanimously approved and adopted by the Board:<br>"RESOLVED, That the Board of Directors of Century Properties Group Inc. (the "Corporation") be authorized, as it is hereby authorized to approve the Financial Report of the Company for the Quarter ending June 30, 2023 and the release of the same."<br>II. PRESENTATION OF KEY BUSINESS UPDATES<br>The Management presented the Company's Key Business Updates which the Board duly noted and approved. |
| August 17, 2023 | Official Press release entitled:<br>CENTURY PROPERTIES H1 2023 REVENUE POSTS 27% GROWTH TO P6.7 B |
| October 18, 2023 | Results of the Special Board Meeting held last October 18, 2023 |
| | The following were passed: |

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| | 1. Resolution approving the authority of the Corporation to Issue up to FIFTY MILLION (50,000,000) of its Preferred Shares (the "Offer Shares") with a par value of 53/100 Pesos (Php0.53) per share from the existing unissued authorized capital stock of the Corporation as Series B Preferred Shares for sale or subscription by way of a follow-on public offering at an offer price of One Hundred Pesos (Php100.00) per share and with full authority of the Corporation's Management to negotiate, agree on, and approve the final terms and conditions of the Offer Shares;<br>2. Resolution approving the authority of the Corporation to apply for (i) the registration of the Offer Shares with the Securities and Exchange Commission ("SEC"); and (ii) the listing of the Offer Shares with The Philippine Stock Exchange, Inc. ("PSE") and subject to the approval of these regulatory agencies, the Corporation through its Management be authorized to sign, execute, and deliver any and all documents, contracts, agreements, and instruments as may be required or necessary in connection with the registration and licensing of its shares with the SEC, the listing with the PSE, and the offer for sale to the public of the Offer Shares; and |
| | 3. Resolution authorizing the Corporation to approve, confirm, and ratify, the disclosures contained in the Registration Statement and Prospectus to be filed with the Securities and Exchange Commission and the listing application to be filed with The Philippine Stock Exchange, Inc. in connection with the offer for sale to the public of the Preferred Shares (designated as Series B Preferred Shares).<br>4. Resolution further authorizing the Corporation to implement all necessary corporate and other actions to proceed with the offering and issuance of the Offer Shares;<br>5. Resolution approving the conduct of a Solicitation of the Stockholders' Written Assent on November 13, 2023, with a record date of November 6, 2023. |
| November 8, 2023 | Results of the Board Meeting held last November 8, 2023 |
| | The following were passed: |
| | I. APPROVAL OF THE COMPANY'S FINANCIAL REPORT FOR THE QUARTER ENDING SEPTEMBER 30, 2023<br>The Chairman informed the Board that there is a need to approve the Financial Report of the Company for the Quarter ending September 30, 2023. Upon motion made and duly seconded, the following resolution was unanimously approved and adopted by the Board:<br>"RESOLVED, That the Board of Directors of Century Properties Group Inc. (the "Corporation") be authorized, as it is hereby authorized to approve the Financial Report of the Company for the Quarter ending September 30, 2023 and the release of the same."<br>II. PRESENTATION OF KEY BUSINESS UPDATES<br>The Management presented the Company's Key Business Updates which the Board duly noted and approved. |
| November 10, 2023 | Official Press release entitled:<br>Century Properties Group's 9M 2023 revenue rises to P9.7 B<br>First-Home business segment buoys 10% revenue growth |
| November 13, 2023 | Results of the Board Meeting held last November 8, 2023 |
| | The following were passed: |

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| | CPGI would like to inform the Honorable Commission that as of November 13, 2023, the Company has secured the written assent of its stockholders representing 77.61% or 9,079,756,166 of the total outstanding common capital stock of the Company (more than the minimum required stockholder written assent) in relation to the following:<br>1. Resolution approving the authority of the Corporation to Issue up to FIFTY MILLION (50,000,000) of its Preferred Shares (the "Offer Shares") with a par value of 53/100 Pesos (Php0.53) per share from the existing unissued authorized capital stock of the Corporation as Series B Preferred Shares for sale or subscription by way of a follow-on public offering at an offer price of One Hundred Pesos (Php100.00) per share and with full authority of the Corporation's Management to negotiate, agree on, and approve the final terms and conditions of the Offer Shares; |
| | 2. Resolution approving the authority of the Corporation to apply for (i) the registration of the Offer Shares with the Securities and Exchange Commission ("SEC"); and (ii) the listing of the Offer Shares with The Philippine Stock Exchange, Inc. ("PSE") and subject to the approval of these regulatory agencies, the Corporation through its Management be authorized to sign, execute, and deliver any and all documents, contracts, agreements, and instruments as may be required or necessary in connection with the registration and licensing of its shares with the SEC, the listing with the PSE, and the offer for sale to the public of the Offer Shares; and<br>3. Resolution authorizing the Corporation to approve, confirm, and ratify, the disclosures contained in the Registration Statement and Prospectus to be filed with the Securities and Exchange Commission and the listing application to be filed with The Philippine Stock Exchange, Inc. in connection with the offer for sale to the public of the Preferred Shares (designated as Series B Preferred Shares).<br>4. Resolution further authorizing the Corporation to implement all necessary corporate and other actions to proceed with the offering and issuance of the Offer Shares; |
| December 1, 2023 | CPGI would like to inform the Honorable Commission that pursuant to the Disclosure Report No. C07550-2023 posted on October 18, 2023 and Disclosure Report No. C08100-2023 posted on November 14, 2023, the Company filed today, December 1, 2023 a Registration Statement with the Securities and Exchange Commission ("SEC") in respect of the Company's application for the issuance of up to FIFTY MILLION (50,000,000) of its Preferred Shares (the "Offer Shares") with a par value of 53/100 Pesos (Php0.53) per share from the existing unissued authorized capital stock of the Corporation as Series B Preferred Shares for sale or subscription by way of a follow-on public offering at an offer price of One Hundred Pesos (Php100.00) per share and with full authority of the Corporation's Management to negotiate, agree on, and approve the final terms and conditions of the Offer Shares, subject to the approval of the SEC. The company shall likewise file an application for the listing of the Offer Shares with The Philippine Stock Exchange, Inc. ("PSE"), accordingly.<br>A copy of the Preliminary Prospectus and its annexes may be viewed at the Company's website - https://www.century-properties.com/investor-relations/disclosures/SIGN |
| January 5, 2024 | CPGI would like to inform the Honorable Commission that that the company received today, January 5, 2024, the Pre-Effective Letter from Securities and Exchange Commission favorably considering the Company's application for Primary Offer of up to 30,000,000 Series B Preferred Shares with an Oversubscription Option of up to 20,000,000 Series B Preferred Shares(the "Offer Shares") at an offer price of One Hundred Pesos (Php100.00) per share. The company has likewise filed an application for the listing of the Offer Shares with The Philippine Stock Exchange, Inc. ("PSE").<br>The said approval is subject to the Company's submission of the Final Prospectus and Transaction Agreements as well as compliance to such other conditions as the Securities and Exchange Commission may impose or require. |
| January 22, 2024 | Official Press release enttled:<br>Century Properties Group unveils two exciting projects for 2024 under its Premium, In City Line |

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| January 25, 2024 | CPGI would like to inform the Honorable Commission that that the company received today, January 25, 2024, the Notice of Approval from the Philippine Stock Exchange favorably considering the Company's listing application for Primary Offer of up to 30,000,000 Series B Preferred Shares with an Oversubscription Option of up to 20,000,000 Series B Preferred Shares (the "Offer Shares") at an offer price of One Hundred Pesos (Php100.00) per share.<br>The said approval is subject to the Company's compliance to all the conditions set forth in the Post Approval Requirements and Conditions and as well as compliance to the conditions imposed by the Securities and Exchange Commission in its Pre-effective Letter dated January 4, 2024 |
| February 5, 2024 | CPGI would like to inform the Honorable Exchange that the company received today the Certificate of Permit to Offer Securities for Sale from the Securities and Exchange Commission dated February 5, 2024 relative to CPGI's firm Primary Offer of 20,000,000 Series B Preferred Shares with an Oversubscription Option of up to 20,000,000 Series B Preferred Shares with an Initial Dividend Rate of 7.5432% per annum at an Offer Price of ₱100.00 per Series B Preferred Share, to be listed and traded on the Main Board of The Philippine Stock Exchange, Inc. |
| February 22, 2024 | CPGI would like to inform the Honorable Commission that Company's 20,000,000 perpetual, cumulative, non-participating, non-voting, redeemable, non-convertible Series B Preferred Shares with an initial Dividend Rate of 7.5432% per annum at an Offer Price of Php100.00 per share has been listed and traded on the Main Board of The Philippine Stock Exchange, Inc. today, February 22, 2024. |
| February 22, 2024 | Official Press release entitled:<br>CENTURY PROPERTIES GROUP LISTS P2Bn PREFERRED SHARES<br>Adheres to prudent financial stewardship and targets sustained growth |
| April 4, 2024 | Results of the Regular Board Meeting held on April 4, 2024, the following resolutions were passed: |
| | I. APPROVAL OF THE COMPANY'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDING DECEMBER 31, 2023<br>The Chairman informed the Board that there is a need to approve the Annual Financial Report of the Company for the Year ended December 31, 2023. Upon motion made and duly seconded, the following resolution was unanimously approved and adopted by the Board:<br>"RESOLVED, That the Board of Directors of Century Properties Group Inc. (the "Corporation") be authorized, as it is hereby authorized to approve the Annual Financial Report of the Company for the year ended 31 December 2023 and the release of the same."<br>II. PRESENTATION OF KEY BUSINESS UPDATES<br>The Management presented the Company's Key Business Updates which the Board duly noted and approved.<br>III. DECLARATION OF CASH DIVIDENDS FOR CPGPB PREFERRED SHARES<br>The Board approved declaration of cash dividends for the 20,000,000 CPGPB PREFERRED SHARES and the payment date thereof, as follows:<br>SHARES: CPGPB — RECORD DATE: April 25, 2024 — PAYMENT DATE: May 22, 2024 — DIVIDEND RATE: 7.5432% |
| April 15, 2024 | Official Press release entitled:<br>CENTURY PROPERTIES GROUP LISTS P2Bn PREFERRED SHARES<br>Adheres to prudent financial stewardship and targets sustained growth |
| May 14, 2024 | Results of the Board Meeting held on May 14, 2024 |
| | The following resolutions were passed: |

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| | I. APPROVAL OF THE COMPANY'S FINANCIAL REPORT FOR THE QUARTER ENDING MARCH 31, 2024<br>The Chairman informed the Board that there is a need to approve the Financial Report of the Company for the Quarter ending March 31, 2024. Upon motion made and duly seconded, the following resolution was unanimously approved and adopted by the Board:<br>"RESOLVED, That the Board of Directors of Century Properties Group Inc. (the "Corporation") be authorized, as it is hereby authorized to approve the Financial Report of the Company for the Quarter ending March 31, 2024 and the release of the same."<br>II. PRESENTATION OF KEY BUSINESS UPDATES<br>The Management presented the Company's Key Business Updates which the Board duly noted and approved.<br>III. ANNUAL STOCKHOLDERS MEETING<br>The Chairman discussed the need to set and approve the details of the Annual Stockholders' Meeting of the Company on JUNE 28, 2024 . The Board unanimously approved the following resolutions: |
| | "RESOLVED, to set and approve the date of the Annual Stockholders' Meeting on JUNE 28, 2024, Friday at 9:00 a.m., to be conducted virtually and attendance at the meeting will be via remote communication only.<br>RESOLVED, FURTHER, that the record date is set on MAY 28, 2024, thus, only common stock shareholders as of MAY 28, 2024 shall be entitled to notice and to vote at the said meeting;<br>"RESOLVED, FURTHER, that the agenda for the said meeting shall be as follows:<br>1. Call to order<br>2. Certification of notice and the existence of a quorum<br>3. Approval of the minutes of the Annual Stockholders' Meeting held on JUNE 30, 2023<br>4. Annual Report of the President<br>5. Ratification of all Acts and Proceedings of the Board of Directors and Corporate Officers, including the Ratification of the Written Assent issued by Majority of the stockholders last November 13, 2023<br>6. Approval of the 2023 Audited Consolidated Financial Statements of the Corporation<br>7. Election of Members of the Board of Directors and extension of term for 3 Independent Directors<br>8. Appointment of External Auditor for 2024<br>9. Other Matters |
| | A. Amendment of Article 5 of the Amended Articles of Incorporation to change the number of Directors from Twelve (12) to Eleven (11)<br>B. Amendment of Article 6, Section 2 of the Amended Articles of Incorporation, specifically on the provision for Redemption of Preferred Shares, to wit:<br>from: Redemption<br>The Preferred Shares shall be redeemable at the option of the Corporation at such times and prices as may be determined by the Board of Directors at the time of issue, which price may not be less than the par value thereof plus accrued dividends. Any shares re-deemed or purchased by the Corporation shall be recorded as treasury stock and may be re-issued in the future. The Board of Directors shall determine the terms and conditions of a retirement or a sinking fund, if any, for the purchase or redemption of the shares for such series.<br>to: Redemption<br>The Preferred Shares shall be redeemable at the option of the Corporation at such times and prices as may be determined by the Board of Directors at the time of issue, which price may not be less than the par value thereof plus accrued dividends. Any shares re-deemed or purchased by the Corporation shall be deemed and recorded as retired. The Board of Directors shall determine the terms and conditions of a retirement or a sinking fund, if any, for the purchase or redemption of the shares for such series. |

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| | 10. Adjournment<br>There will be no physical meeting. Stockholders may only attend and participate in the meeting by remote communication. Stockholders may vote electronically in absentia, subject to validation procedures.<br>Stockholders who intend to attend by remote communication are required to REGISTER via https://www.century-properties.com/asm2022/ on or before June 25, 2024<br>The instructions, procedures and requirements for electronic voting in absentia and participation by remote communication shall be sent to the email address provided in the stockholder's registration from.<br>The link through which the Meeting may be accessed shall be sent to the email address of the registered stockholder after validation. The procedures for participating in the meeting through remote communication and for casting of votes in absentia will be set forth and discussed in details in the Company's Definitive Information Statement (SEC Form 20-IS).<br>The Definitive Information Statement, Management Report, Audited Financial Statements, Quarterly Report/s and other documents relative to the Annual Stockholders' Meeting, including the Procedures and Guidelines on the participation by remote communication and voting in absentia may be accessed, beginning on MAY 28, 2024 through any of the following:<br>1. Go to the Corporation website via this link: https://www.centuryproperties.com/<br>2. Go to the PSE EDGE portal via https://edge.pse.com.ph/ or;<br>3. Request for a copy by sending an email to icsales@centuryproperties.com or danny.bunyi@divinalaw.com |
| | RESOLVED, FINALLY, that the Corporate Secretary or the Assistant Corporate Secretary or other responsible officers of the Corporation is hereby authorized to issue this notice of meeting to stockholders and to execute, sign, and file any and all documents which may be required by the Securities and Exchange Commission, Philippine Stock Exchange, and other government agencies and to do all actions and things as may be necessary to comply with the provisions of the Corporation Code of the Philippines, Securities Regulation Code and other regulations relating to the subject matter of this resolution."<br>III. RISK MANAGEMENT AND CORPORATE GOVERNANCE COMMITTEE ENDORSEMENT FOR THE SELECTION AND NOMINEES FOR INDEPENDENT DIRECTORS AND REGULAR DIRECTORS<br>The Chairman of the Risk Management and Corporate Governance Committee discussed the selection and qualification of the Independent Directors and Regular Directors based on the SRC Rules and Corporate Governance Code. After discussion and upon motion made and duly seconded by majority of the committee body and board members, the following resolutions were both approved by majority of the Committee members and the Board of Directors:<br>"RESOLVED, That the Board of Directors of Century Properties Group Inc. (the Corporation) upon endorsement of the Risk Management and Corporate Governance Committee hereby approves the extension of term for one (1) year, and nomination of the following Independent Directors, subject to the approval of the stockholders during the annual stockholders meeting for the year 2024,<br>1. JOSE L. CUISIA Jr.<br>2. STEPHEN T. CuUNJIENG<br>3. CARLOS C. EJERCITO |

| | |
|---|---|
| | The Committee as well as the Board of Directors strongly believe that the above Independent Directors subject for Term extension all possess the wealth of experience and expertise have been proven invaluable in providing input and guidance in the overall strategy of the Corporation. The independent and objective perspectives provided by them during Committee and Board meetings are essential and indispensable. The length of time that the extended<br>independent directors sat on the Board has not and will not impair said directors' ability to act independently and objectively.<br>The following Independent Directors and Regular Directors for the year 2024- 2025<br>Independent Directors:<br>CARLOS C. EJERCITO - nominated by CPI<br>STEPHEN T. CuUNJIENG - nominated by CPI<br>JOSE L. CUISIA Jr. - nominated by CPI<br>AILEEN CHRISTEL U. ONGKAUKO – nominated by CPI<br>Regular Directors:<br>Jose E. B. Antonio<br>John Victor R. Antonio<br>Jose Marco R. Antonio<br>Jose Carlo R. Antonio<br>Ricardo P. Cuerva – Non Executive<br>Rafael G. Yaptinchay<br>Hilda R. Antonio – Non Executive |
| | "RESOLVED, FINALLY, that the Corporate Secretary or the Assistant Corporate Secretary or other responsible officers of the Corporation is hereby authorized to issue the notice of meeting to stockholders and to execute, sign, and file any and all documents which may be required by the Securities and Exchange Commission, Philippine Stock Exchange, and other government agencies and to do all actions and things as may be necessary to comply with the provisions of the Corporation Code of the Philippines, Securities Regulation Code and other regulations relating to the subject matter of this resolution."<br>IV. AMENDMENT OF THE ARTICLES OF INCORPORATION<br>The Chairman informed the Board that there is a need to amend ARTICLE 5 and ARTICLE 6, SECTION 2 ON REDEMPTION OF PREFERRED SHARES, of the Company's Amended Articles of Incorporation, as follows:<br>A. Amendment of Article 5 of the Amended Articles of Incorporation to change the number of Directors from Twelve (12) to Eleven (11). The Board of Directors unanimously approved and resolved:<br>"RESOLVED that the Board of Directors of Century Properties Group Inc.<br>hereby approves the amendments of Article 5 of the Company's Amended Articles of Incorporation, to read as follows:<br>FIFTH: That the number oof directors of the said Corporation shall be Eleven (11) (As amended by the Board of Directors on June 8, 2021 and approved by the Majority of the Stockholders of CPGI on July 26, 2021 and further amended by the Board of Directors on May 14, 2024, subject to the approval of the Majority of the Stockholders of the Corporation on June 28, 2024) |

| | |
|---|---|
| | B. Amendment of Article 6, Section 2 of the Amended Articles of Incorporation, specifically on the provision for Redemption of Preferred Shares. The Board of Directors unanimously approved and resolved:<br>"RESOLVED that the Board of Directors of Century Properties Group Inc. hereby approves the amendments of Article 6, Section 2 specifically on the Redemption of Preferred Shares, of the Company's Amended Articles of Incorporation, to read as follows:<br>SIXTH: x x x<br>Redemption<br>The Preferred Shares shall be redeemable at the option of the Corporation at such times and prices as may be determined by the Board of Directors at the time of issue, which price may not be less than the par value thereof plus accrued dividends. Any shares redeemed or<br>purchased by the Corporation shall be deemed and recorded as retired. The Board of Directors shall determine the terms and conditions of a retirement or a sinking fund, if any, for the purchase or redemption of the shares for such series. |
| | "RESOLVED FURTHER, that the proper officers of the Corporation are hereby authorized and directed to execute and file the proper certificates of the proceedings of this meeting, to execute, sign, and file any and all documents which may be required by the Securities and Exchange Commission, Philippine Stock Exchange, and other government agencies and to do all actions and things as may be necessary to comply with the provisions of the Corporation Code of the Philippines, Securities Regulation Code and other regulations relating to the subject matter of this resolution."<br>"RESOLVED FINALLY", that a copy of these resolutions be furnished the<br>entity concerned".<br>V. ENDORSEMENT OF EXTERNAL AUDITOR FOR 2024<br>The Chairman of the Audit Committee discussed the selection of External<br>Auditors for the year 2024 and recommended to the Board the firm of Sycip, Gorres, Velayo and Co. as external auditor for the year 2024. After discussion and upon motion made and duly seconded by majority of the committee body and board members, the following resolutions were both approved by majority of the Committee members and the Board of Directors:<br>"RESOLVED, That the Board of Directors of Century Properties<br>Group Inc. ( the "Corporation") be authorized, as it is hereby authorized to<br>endorse for approval of the Stockholders the firm of Sycip, Gorres, Velayo<br>and Co. as external auditor for the year 2024." |
| May 16, 2024 | Official Press release enti-<br>tled:<br>Century Properties Group Net Income Grows 35% |

**Other Proposed Action**

No other action is proposed to be taken with respect to any matter not specifically referred to in the foregoing items.

No action is to be taken with respect to any matter which is not required to be submitted to a vote of the stockholders. In case an action not required to be submitted to the stockholders is taken up but a negative vote is achieved, the matters shall be noted and recorded in the minutes of the stockholders' meeting.

**Voting Procedures**

**(a) Vote Required**

All matters subject to vote during the shareholder's meeting on June 28, 2024 shall require the vote of majority of the shareholders, either in absentia or by proxy, and entitled to vote thereat, provided that a quorum is present except for the (a) amendments to the Articles of Incorporation which shall require the vote of at least two-thirds of the outstanding capital stock of the Company.

Each common share entitles the holder to one vote for each share of stock standing in his name in the books of the Company as of May 28, 2024

**(b) Electronic Voting in Absentia**

***There will be no physical meeting.*** Stockholders may only attend and participate in the meeting by remote communication. **Stockholders may vote electronically in absentia, subject to validation procedures.**

Stockholders who intend to attend by remote communication are required to REGISTER via https://www.century-properties.com/asm2024/ on or before JUNE 24, 2024.

The instructions, procedures and requirements for electronic voting in absentia and participation by remote communication shall be sent to the email address provided in the stockholder's registration from.

The link through which the Meeting may be accessed shall be sent to the email address of the registered stockholder after validation.

Stockholders as of MAY 28, 2024 ("Stockholders") have the option of electronic voting *in absentia* on the matters in the Agenda, after complete registration and successful validation. To access the Voting in Absentia link, stockholders are required to provide their active, primary electronic mail (e-mail) addresses to the Corporation by informing (a) the Corporation through the registration link provided: https://www.century-properties.com/asm2024/, or (b) the brokerage firm, or (c) the stock transfer office.

By registering to participate in the virtual meeting a stockholder or a proxy or representative of the stockholder agrees for the Company and its service providers to process their sensitive personal information necessary to verify their identity and authority. A stockholder who fails to comply with the registration requirement will not be able to participate in the virtual stockholders meeting and voting in absentia.

**Important Matters to take note on registration and voting:**

1. The deadline for registration to vote *in absentia* is on JUNE 24, 2024. Beyond this date, Stockholders may no longer avail of the option to vote *in absentia.*

2. After validation of the Stockholder's registration, a link for the voting in absentia as well as a link to the meeting will be sent to the Stockholder's registered e-mail address. Simply follow the instructions sent to the e-mail address provided. The Stockholders shall have the option to cast their votes ahead of the meeting or until 9:15 am of June 28, 2024

3. After the ballot has been submitted, Stockholders may no longer change their votes.

4. The following are needed for validation procedures (as will be stated in the instruction link to be provided):

   A. For individual Stockholders-

      1. A recent photo of the Stockholder, with the face fully visible (in JPG format). The file size should not exceed 2MB;
      2. A scanned-copy of the stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG format). The file size should not exceed 2MB;
      3. A valid and active e-mail address;
      4. A valid and active contact number;

   B. For Stockholders with joint accounts-

      1. A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG format). The file size should not exceed 2MB.

   C. For Stockholders under Broker accounts-

      1. A broker's certification on the Stockholder's number of shareholdings (in JPG format). The file size should not exceed 2MB;
      2. A recent photo of the stockholder, with the face fully visible (in JPG format). The file size should not exceed 2MB;
      3. A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG format). The file size should not exceed 2MB;
      4. A valid and active e-mail address;
      5. A valid and active contact number;

   D. For corporate Stockholders-

      1. A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG format). The file size should not exceed 2MB;
      2. A recent photo of the stockholder's representative, with the face fully visible (in JPG format). The file size should not exceed 2MB;
      3. A scanned copy of the valid government-issued ID of the stockholder's representative showing photo and personal details, preferably with residential address (in JPG format). The file size should not exceed 2MB;
      4. A valid and active e-mail address of the Stockholder's representative;
      5. A valid and active contact number of the Stockholder's representative.

***Incomplete or inconsistent information may result in an unsuccessful registration. As a result, Stockholders will not be allowed access to vote electronically in absentia, but may still vote through the Chairman of the meeting as proxy, by submitting a duly accomplished proxy form, on or before June 21, 2024.***

The Company shall allow electronic signature for the required documents, as applicable. Notarization requirement shall also be dispensed with at this time. However, the Company reserves the right to request additional information, and original signed and notarized copies of these documents at a later time.

E. All agenda items indicated in the Notice of the Meeting will be set out in the digital absentee ballot and the registered Stockholder may vote as follows:

1. For items other than the Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the registered Stockholder's shares.
2. For the Election of Directors, the registered Stockholder may vote for all nominees, not vote for any of the nominees, or vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

**F. Method by which Votes will be Counted**

The Company's internal audit team will count and tabulate the votes cast in absentia together with the votes cast by proxy. The counting thereof shall be supervised and validated by the external auditor of the Company.

**G. Questions of the Stockholders**

All stockholders can send their questions before 9:15 a.m. through the CPG Shareholders website. Questions will be answered during the Q&A portion of the meeting. For questions that the Company will be unable to answer in this session due to time limitations will be responded to via e-mail.

## PART III.

**SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on May 28, 2024

**CENTURY PROPERTIES GROUP INC.**
**By:**

**ATTY. DANNY E. BUNYI**
Corporate Secretary

CENTURY PROPERTIES GROUP, INC.

COVER SHEET

| 6 | 0 | 5 | 6 | 6 |
|---|---|---|---|---|

S.E.C. Registration Number

| C | E | N | T | U | R | Y | | P | R | O | P | E | R | T | I | E | S | | G | R | O | U | P | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
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| | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | |

(Company's Full Name)

**35th Floor, Century Diamond Tower, Century City, Kalayaan Avenue, Poblacion, Makati City**
(Business Address: No. Street City / Town / Province)

| MAYBELLE A. POSIDIO | (632) 7935500 |
|---|---|
| Contact Person | Company Telephone Number |

| 1 2 | 3 1 | **1 7 - Q** | 0 6 | 2 2 |
|---|---|---|---|---|
| Month | Day | FORM TYPE | Month | Day |
| Fiscal Year | | | Annual Meeting | |

Secondary License Type, If Applicable

| | |
|---|---|
| Dept. Requiring this Doc. | Amended Articles Number/Section |

Total Amount of Borrowings

| | **₱17,415,754,937** | |
|---|---|---|

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To be accomplished by SEC Personnel concerned

| | |
|---|---|
| File Number | LCU |
| Document I.D. | Cashier |

STAMPS

Remarks = pls. use black ink for scanning purposes.

**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, 2024**
2. Commission identification number: **60566**
3. BIR Tax Identification: **004-504-281-000**
4. Exact name of registrant as specified in its charter:

**CENTURY PROPERTIES GROUP INC.**

5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of registrant's principal office/Postal Code: **35th Floor, Century Diamond Tower, Century City, Kalayaan Avenue, Makati City**
8. Registrant's telephone number, including area code: **(632) 793-8905**
9. 9. Former name, former address and former fiscal year, if changed since last report:
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA:

| Title of Each Class | No. of Shares of Stock Outstanding and Issued as of March 31, 2024 |
|---|---|
| Common Shares | 11,599,600,690 Outstanding Shares<br>100,123,000 Treasury Shares |
| Preferred Shares | 20,000,000 Outstanding Shares (Series B)<br>30,000,000 Treasury Shares (Series A) |

11. Are any or all of the securities listed on the Philippine Stock Exchange?

Yes [ ✓ ] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

**Philippine Stock Exchange - All outstanding Common Shares and 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 Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period 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 [ ]

CENTURY PROPERTIES GROUP, INC.

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- 1st Quarter 2024 vs. Full Year 2023 Financial Conditions
- Key Performance Indicators

**PART II – OTHER INFORMATION**

CENTURY PROPERTIES GROUP, INC.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | **March 31, 2024 (Unaudited)** | December 31, 2023 (Audited) |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents (Note 5) | **₱4,221,101,676** | ₱3,543,351,959 |
| Short-term investments (Note 6) | **18,258,017** | 18,258,017 |
| Receivables (Note 7) | **9,774,289,092** | 10,646,177,087 |
| Real estate inventories (Note 8) | **17,571,458,845** | 18,832,235,203 |
| Due from related parties (Note 17) | **1,700,855,182** | 1,566,243,753 |
| Advances to suppliers and contractors (Notes 9) | **1,684,938,272** | 1,661,845,890 |
| Other current assets (Note 14) | **2,010,681,368** | 1,679,891,616 |
| **Total Current Assets** | **36,981,582,452** | 37,948,003,525 |
| **Noncurrent Assets** | | |
| Noncurrent portion of installment contracts receivable (ICR; Notes 2 and 7) | **1,062,900,379** | 1,268,850,078 |
| Deposits for purchased land (Note 10) | **1,116,792,505** | 1,116,792,505 |
| Investments in and advances to joint ventures and associate (Note 11) | **277,323,170** | 277,323,170 |
| Investment properties (Note 12) | **12,421,909,090** | 12,421,909,090 |
| Property and equipment (Note 13) | **1,392,500,142** | 1,372,757,159 |
| Deferred tax assets (Note 25) | **56,600,082** | 48,357,179 |
| Other noncurrent assets (Note 14) | **852,104,640** | 931,418,353 |
| **Total Noncurrent Assets** | **17,180,130,008** | 17,437,407,534 |
| **TOTAL ASSETS** | **₱54,161,712,460** | ₱55,385,411,059 |
| **LIABILITIES AND EQUITY** | | |
| **Current Liabilities** | | |
| Accounts and other payables (Note 15) | **₱7,162,257,303** | ₱6,219,565,272 |
| Contract liabilities (Notes 16) | **3,809,465,580** | 3,873,075,605 |
| Due to related parties (Note 17) | **384,097,093** | 384,097,093 |
| Short-term debt (Note 18) | **1,694,250,000** | 791,664,471 |
| Current portion of: | | |
| Long-term debt (Note 18) | **3,526,407,283** | 3,851,897,104 |
| Bonds Payable (Note 19) | **–** | 3,000,000,000 |
| Liabilities from purchased land (Note 20) | **39,440,138** | 49,484,077 |
| Lease liabilities (Note 26) | **17,374,824** | 17,374,825 |
| Income tax payable | **132,040,425** | 50,581,068 |
| Other current liabilities (Note 27) | **73,738,373** | 73,853,300 |
| **Total Current Liabilities** | **16,839,071,019** | 18,311,592,815 |
| **Noncurrent Liabilities** | | |
| Noncurrent portion of: | | |
| Long-term debt (Note 18) | **6,317,660,550** | 6,500,336,528 |
| Bonds Payable (Note 19) | **5,877,437,104** | 5,877,437,104 |
| Lease liability (Note 26) | **16,834,482** | 16,834,482 |
| Pension liabilities (Note 24) | **294,410,076** | 290,148,290 |
| Deferred tax liabilities (Note 25) | **2,134,648,477** | 2,458,740,459 |
| Other noncurrent liabilities (Note 27) | **1,617,978,971** | 1,625,982,952 |
| **Total Noncurrent Liabilities** | **16,258,969,660** | 16,769,479,815 |
| **Total Liabilities** | **33,098,040,679** | 35,081,072,630 |

| | **March 31, 2024 (Unaudited)** | December 31, 2023 (Audited) |
|---|---|---|
| **Equity** (Note 21) | | |
| Capital stock – ₱0.53 par value | | |
| Authorized – 15,000,000,000 shares | | |
| Issued – 11,699,723,690 shares | **₱6,200,853,553** | ₱6,200,853,553 |
| Preferred Shares – ₱0.53 par value | | |
| Authorized – 3,000,000,000 Shares | | |
| Issued – 50,000,000 Shares | **26,500,000** | 15,900,000 |
| Additional paid-in capital | **7,465,986,323** | 5,524,776,889 |
| Treasury shares – 100,123,000 common shares and 30,000,000 preferred shares | **(3,109,674,749)** | (3,109,674,749) |
| Other components of equity | **28,156,382** | 28,156,382 |
| Retained earnings | **10,401,776,948** | 11,594,253,030 |
| Remeasurement gain (loss) on defined benefit plan | **(4,107,070)** | (4,107,070) |
| **Total Equity Attributable to Equity Holders of the Parent Company** | **21,009,491,387** | 20,250,158,035 |
| **Non-controlling interest** | **54,180,394** | 54,180,394 |
| **Total Equity** | **21,063,671,781** | 20,304,338,429 |
| **TOTAL LIABILITIES AND EQUITY** | **₱54,161,712,460** | ₱55,385,411,059 |

CENTURY PROPERTIES GROUP, INC.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

| | Three Months Ended March 31 | |
|---|---|---|
| | **2024** | 2023 |
| **REVENUES** | | |
| Real estate sales | **₱3,128,155,014** | ₱2,886,105,811 |
| Leasing revenue (Note 12 and 26) | **291,186,591** | 312,429,545 |
| Property management fee, hotel, and other services | **121,691,467** | 118,225,392 |
| Interest income from real estate sales | **37,875,931** | 20,777,076 |
| | **3,578,909,003** | 3,337,537,824 |
| **COST AND EXPENSES** | | |
| Cost of real estate sales | **1,809,793,793** | 1,702,149,785 |
| Cost of leasing (Note 11) | **108,831,015** | 109,834,769 |
| Cost of services | **82,790,968** | 71,608,602 |
| | **2,001,415,776** | 1,883,593,156 |
| **GROSS PROFIT** | **1,577,493,227** | 1,453,944,668 |
| **GENERAL, ADMINISTRATIVE AND SELLING EXPENSES** (Note 22) | **851,274,084** | 885,080,084 |
| **OTHER INCOME (EXPENSES)** | | |
| Interest and other income (Note 23) | **144,070,115** | 104,775,812 |
| Interest and other financing charges | **(354,936,310)** | (273,477,010) |
| | **(210,866,195)** | (168,701,198) |
| **INCOME BEFORE INCOME TAX** | **515,352,948** | 400,163,386 |
| **PROVISION FOR INCOME TAX** (Note 24) | **105,821,532** | 97,773,977 |
| **NET INCOME** | **409,531,416** | 302,389,409 |
| **OTHER COMPREHENSIVE INCOME (OCI)** | | |
| *Items that will not be reclassified to profit or loss in subsequent periods:* | – | – |
| **TOTAL COMPREHENSIVE INCOME** | **₱409,531,416** | ₱302,389,409 |
| **Net income attributable to:** | | |
| Equity holders of the Parent Company (Note 21) | **₱409,531,416** | ₱174,015,304 |
| Non-controlling interests (Note 21) | – | 128,374,105 |
| | **₱409,531,416** | ₱302,389,409 |
| **Total comprehensive income attributable to:** | | |
| Equity holders of the Parent Company (Note 21) | **₱409,531,416** | ₱174,015,304 |
| Non-controlling interests (Note 21) | – | 128,374,105 |
| | **₱409,531,416** | ₱302,389,409 |
| **Basic/diluted earnings per share** (Note 21) | **₱0.035** | ₱0.011 |

CENTURY PROPERTIES GROUP, INC.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

| | **March 31, 2024 (Unaudited)** | March 31, 2023 (Unaudited) |
|---|---|---|
| **CAPITAL STOCK** (Note 21) | **₱6,200,853,553** | ₱6,200,853,553 |
| **PREFERRED SHARES** (Note 21) | | |
| Balance at beginning of year | **₱15,900,000** | ₱15,900,000 |
| Issuance of preferred shares | **10,600,000** | – |
| Balance at end of period | **₱26,500,000** | ₱15,900,000 |
| **ADDITIONAL PAID-IN CAPITAL** (APIC; Note 21) | | |
| Balance at beginning of year | **₱5,524,776,889** | ₱5,524,776,889 |
| Issuance of preferred shares | **1,941,209,434** | – |
| Balance at end of period | **₱7,465,986,323** | ₱5,524,776,889 |
| **TREASURY SHARES** (Note 21) | **(₱3,109,674,749)** | (₱109,674,749) |
| **RETAINED EARNINGS** (Note 21) | | |
| Balance at beginning of year | **₱11,594,253,030** | ₱10,514,098,828 |
| *Adoption of the following standards:* | | |
| PIC Q&A 2018-12, PFRS 15 *Implementation Issues Affecting the Real Estate Industry* | **(621,314,353)** | – |
| IFRIC *Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)* | **(980,693,135)** | – |
| Balance at beginning of year, as restated | **9,992,245,542** | 10,514,098,828 |
| Net Income | **409,531,416** | 174,015,304 |
| Cash dividends | **–** | (50,382,750) |
| Balance at end of period | **₱10,401,776,958** | ₱10,637,731,382 |
| **OTHER COMPONENT OF EQUITY** (Note 21) | **₱28,156,382** | (₱683,197,961) |
| **REMEASUREMENT GAIN (LOSS) ON DEFINED BENEFIT PLAN** | **(₱4,107,070)** | ₱17,440,823 |
| **TOTAL EQUIY ATTRIBUTABLE TO PARENT COMPANY** | **₱21,009,491,387** | ₱21,603,829,937 |
| **NON-CONTROLLING INTEREST** | | |
| Beginning Balance | **₱54,180,394** | ₱2,312,344,491 |
| Net Income | **–** | 128,374,105 |
| Ending Balance | **₱54,180,394** | ₱2,440,718,596 |
| | **₱21,063,671,781** | ₱24,044,548,533 |

CENTURY PROPERTIES GROUP, INC.

# CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Three-Month Period Ended March 31 | |
|---|---|---|
| | **2024** | 2023 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Income before income tax | **₱515,352,948** | ₱400,163,386 |
| Adjustments for: | | |
| Interest and other financing charges | **354,936,310** | 273,477,010 |
| Depreciation (Note 22) | **18,597,474** | 24,511,755 |
| Interest income from cash and cash equivalents (Note 23) | **(23,835,282)** | (19,343,620) |
| Operating income before working capital changes | **865,051,450** | 678,808,531 |
| Decrease (increase) in: | | |
| Receivables (Notes 6 and 16) | **412,921,093** | (116,875,424) |
| Real estate inventories (Notes 7) | **34,909,939** | 510,649,030 |
| Advances to suppliers and contractors (Note 8) | **(23,092,382)** | (91,340,716) |
| Other assets (Note 13) | **(247,589,190)** | (196,238,231) |
| Increase in: | | |
| Accounts and other payables (Notes 15) | **942,692,031** | 473,574,984 |
| Contract liabilities (Note 16) | **(63,610,025)** | (254,181,421) |
| Liability from purchased land intended for development | **(10,043,939)** | (23,969,832) |
| Other liabilities | **(8,118,909)** | (3,748,394) |
| Net cash provided by (used in) operations | **1,903,120,068** | 976,678,527 |
| Interest received | **23,835,282** | 19,343,620 |
| Interest and other financing costs paid | **(354,936,309)** | (360,184,872) |
| Income taxes paid | **(67,921,536)** | (29,966,131) |
| Retirement benefits paid | **4,261,784** | 2,275,351 |
| Net cash provided by (used in) operating activities | **1,508,359,289** | 608,146,495 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Decrease (Increase) in due from related parties | **(134,611,429)** | 10,106,668 |
| Additions to: | | |
| Short-term investments | **–** | (3,320,382) |
| Property and equipment (Note 12) | **(42,227,307)** | (128,464,405) |
| Net cash used in investing activities | **(176,838,736)** | (121,678,119) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from: | | |
| Issuance of preferred share | **2,000,000,000** | **–** |
| Availment of short-term and long-term debt | **1,619,622,953** | 328,241,711 |
| Availment of bonds payable | **–** | 3,000,000,000 |
| Payments of: | | |
| Bonds Payable | **(3,000,000,000)** | **–** |
| Short-term and long-term debt | **(1,225,203,223)** | (1,097,795,895) |
| Preferred shares issuance cost | **(48,190,566)** | **–** |
| Cash dividends | **–** | (50,382,750) |
| Net cash provided by financing activities | **(653,770,836)** | 2,180,063,066 |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | **677,749,717** | 2,666,531,442 |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD (Note 5)** | **3,543,351,959** | 4,130,877,582 |
| **CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 5)** | **₱4,221,101,676** | ₱6,797,409,024 |

*See accompanying Notes to Interim Condensed Consolidated Financial Statement*

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

## 1. CORPORATE INFORMATION

Century Properties Group Inc. (the Parent Company or CPGI), a publicly-listed company, was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 6, 1975. The Parent Company is a 68.22%-owned subsidiary of Century Properties Inc. (CPI) and the rest by the public. The Group is primarily engaged in the development and construction of residential and commercial real estate projects.

The registered office address of the Parent Company is 35th Floor, Century Diamond Tower, Century City, Kalayaan Avenue, Poblacion, Makati City.

The Parent Company and its subsidiaries are collectively referred to herein as the "Group".

### 1.2 RECENT TRANSACTIONS

**Public Offering of Preferred Shares**
On January 5, 2024, SEC approved the Group's application for the Primary Offer perpetual, cumulative, non-participating, non-voting, redeemable, non-convertible Series B Preferred Shares ("CPGPB") at an offer price of One Hundred Pesos (Php100.00) per share.

On February 22, 2024, CPGPB was listed and traded on the Main Board of The Philippine Stock Exchange (PSE) with an initial Dividend Rate of 7.5432% per annum. .

China Bank Capital Corporation acted as the sole issue manager, lead underwriter, and bookrunner for the transaction.

**Redemption of Fixed Rate Retail Bonds**
On March 1, 2024, CPGI redeemed its P3 Billion Fixed Rate 3-Year Bonds with a coupon rate of 4.8467% per annum issued on 1 March 2021.

### 1.3 SUBSIDIARIES AND ASSOCIATE

Below is the Company's percentage of ownership in its Subsidiaries and Associate as of the filing of this report.

| | Percentage of Ownership as of the Filing of the Report | |
|---|---|---|
| | Direct | Indirect |
| Century Communities Corporation (CCC) | 100 | - |
| Century City Development Corporation (CCDC) | 100 | - |
| Century Limitless Corporation (CLC) | 100 | - |
| Century Properties Management Inc. (CPMI) | 100 | - |
| Phirst Park Homes Inc. (PPHI) | 100 | - |
| Century Destinations and Lifestyle Corp. *(Formerly Century Properties Hotel and Leisure, Inc.)* | 100 | - |
| Century Nuliv Development Corporation *(Formerly Century Prima Corp)* | 100 | - |

Currently, the Company has seven wholly-owned subsidiaries Communities Corporation (CCC), Century City Development Corporation (CCDC), Century Limitless Corporation (CLC), Century Properties Management Inc. (CPMI), Century Destinations and Lifestyle Corp (CDLC) and Century Nuliv Development Corporation (CNDC) and Phirst Park Homes Inc (PPHI). Through these Subsidiaries, CPGI develops, markets and sells residential, office, medical and retail properties in the Philippines, as well as manages residential and commercial properties in the Philippines.

*Century Communities Corporation*
CCC, incorporated in 1994, is focused on horizontal house and lot developments. From the conceptualization to the sellout of a project, CCC provides experienced specialists who develop and execute the right strategy to successfully market a project. CCC is currently developing Canyon Ranch, a 25-hectare house and lot development located in Carmona, Cavite.

*Century City Development Corporation*
CCDC, incorporated in 2006, is focused on developing mixed-use communities that include residences, office and retail properties. CCDC is currently developing Century City, a 3.4-hectare mixed-use development along Kalayaan Avenue in Makati City.

*Century Limitless Corporation*
CLC, incorporated in 2008, is Century's brand category that focuses on developing high-quality, affordable residential projects. Projects under CLC will cater to first-time home buyers, start-up families and investors seeking safe, secure and convenient homes.

*Century Properties Management, Inc.*
Incorporated in 1989, CPMI is one of the largest property management companies in the Philippines, as measured by total gross floor area under management. CPMI currently has 58 projects in its portfolio, covering a total gross floor area of 3.45 million sq.m. CPMI has been awarded 18 safety and security distinctions from the Safety Organization of the Philippines.

*Century Destinations and Lifestyle Corp (CDLC)*
Incorporated in 2014, CDLC shall operate, conduct and engage in hotel business and related business ventures.

*PHirst Park Homes Inc. (PPHI)*
PHirst Park Homes Inc., incorporated on August 31, 2018, is the first-home division and brand of CPGI. Its projects are located within the fringes of Metro Manila and its target market are first-time homebuyers. Its current projects are located at Lipa and Batulao in Batangas, San Pablo and Calamba in Laguna, Naic, General Trias and Tanza in Cavite, Baliwag and Pandi in Bulacan, Tayabas in Quezon, Magalang in Pampanga, Balanga in Bataan and Gapan Nueva Ecija, which involve a multi-phase horizontal residential property and offer both Townhouse units & Single Attached units. PHirst Park Homes is a joint venture project between Century Properties Group Inc. and Mitsubishi Corporation with a 60-40% shareholding, respectively.

*Century Nuliv Development Corporation (CNDC)*
*(Formerly Century Prima Corp.)*
Incorporated in 2020, CNDC shall focus on continuing Century's legacy of serving the needs of the premium and luxury market. Its subdivisions and enclaves consist of premium townvillas, house and lots, and low-rise, low-density condos located in Metro Manila and key growth cities in the Philippines. CNDC's developments feature innovative and inspired architectural designs and provide superior customer experience that is keenly attuned to primary home buyer preferences and new generation

living. Century Nuliv Townvillas at Acqua is the brand's maiden project, strategically located within the award-winning Acqua Private Residences community in Mandaluyong City; followed soon after by a similar townvilla community within the Azure North Estate in San Fernando, Pampanga.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The consolidated financial statements have been prepared using the historical cost basis except for investment properties that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is the functional currency of the Parent Company and its subsidiaries. All amounts are rounded off to the nearest ₱, except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief on the accounting for significant financing components as issued and approved by the SEC in response to the COVID-19 pandemic:

a. Assessing if the transaction price includes a significant financing component discussed in Philippine Interpretations Committee (PIC) Questions and Answers (Q&A) No. 2018-12-D;
b. Treatment of land in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E; and,
c. Application of International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *Borrowing Cost*).

These accounting pronouncements address the issues of PFRS 15, *Revenue from Contracts with Customers*, affecting the real estate industry:

- *Deferral of the following provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry*
  a. Assessing if the transaction price includes a significant financing component (as amended by PIC Q&A 2020-04);
  b. Treatment of land in the determination of the percentage-of-completion (POC); and

- *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)*
  The consolidated financial statements also include the availment of relief under SEC MC No. 4-2020 to defer the adoption of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, *Borrowing Cost* (the IFRIC Agenda Decision on Borrowing Cost) until December 31, 2020.

In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of provisions (a) and (b) above of PIC Q&A 2018-12 and the IFRIC Agenda Decision on Borrowing Cost, for another three (3) years or until December 31, 2023.

The details and the impact of the adoption of the above financial reporting reliefs are discussed in the section below under Changes in Accounting Policies and Disclosures.

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards (PAS) and interpretations issued by PIC.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of March 31, 2024 and December 31, 2023.

An investee is included in the consolidation at the point when control is achieved. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full in the consolidated financial statements.

Non-controlling interests (NCI) pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. Any equity instruments, including preferred shares, issued by a subsidiary that are not owned by the Parent Company, are non-controlling interests. The portion of profit or loss and net assets in subsidiaries not wholly-owned by the Parent Company are presented separately in the consolidated statement of comprehensive income and within the equity section of the consolidated statement of financial position and consolidated statement of changes in equity, separately from the Parent Company's equity.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the NCI, even if this results in the NCI having a deficit balance.

Changes in the controlling ownership interest, i.e., acquisition of non-controlling interest or partial disposal of interest over a subsidiary that do not result in a loss of control, are accounted for as equity transactions.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

| | Percentage of Ownership | |
|---|---|---|
| | **2024** | 2023 |
| Century Limitless Corporation (CLC) | 100 | 100 |
| Century Acqua Lifestyle Corporation (CALC) | 100 | 100 |
| Tanza Properties I, Inc. (TPI I) | 100 | 100 |
| Tanza Properties II, Inc. (TPI II) | 100 | 100 |
| Tanza Properties III, Inc. (TPI III) | 100 | 100 |
| Katipunan Prime Development Corporation (KPDC) | 100 | 100 |
| Century PHirst Corporation (CPC)* | 100 | 100 |
| Century Properties Management, Inc. (CPMI) | 100 | 100 |
| Siglo Suites, Inc. (SSI) | 100 | 100 |
| Century Communities Corporation (CCC) | 100 | 100 |
| Century City Development Corporation (CCDC) | 100 | 100 |
| Century City Development Corporation II (CCDC II) | 100 | 100 |
| Centuria Medical Development Corporation (CMDC) | 100 | 100 |
| Milano Development Corporation (MDC) | 100 | 100 |
| Century Destination Lifestyle Corporation (CDLC)** | 100 | 100 |
| PHirst Park Homes, Inc. (PPHI) | 100 | 100 |
| Century Nuliv Development Corporation (CNDC)*** | 100 | 100 |

**formerly PHirst Park Homes Development Corporation (PPHDC)*
***formerly Century Properties Hotel and Leisure Inc. (CPHLI)*
****formerly Century Prima Corporation (CPC).*

*Acquisition of Additional Interest - PPHI*
On May 31, 2023, the Board of Directors (BOD) of CPGI approved the acquisition of 1,060,000,000 common shares with a par value of ₱1.00 per common share from Mitsubishi Corporation (MC), representing the latter's 40% ownership interest in PPHI, and 265,000 Preferred B shares with a par value of ₱1,000 per share owned by MC in PPHI. The Philippine Competition Commission (PCC) has approved the acquisition transaction on August 9, 2023 and the transaction was made effective on October 30, 2023 in accordance with the terms of the acquisition at a transaction price of ₱1.09 per common share and ₱1,085.28 per preferred share (see Note 20). On November 24, 2023, CPGI completed the payment of the consideration.

*Acquisition of Additional Interests – TPI, TPII, and TPIII*
On May 31, 2023, the Board of Directors of the Century Limitless Corporation (CLC) also approved the acquisition of the 40% shareholdings of MC in the following subsidiaries:

a. 409,780 common shares with par value of ₱100.00 per share and 175,620 preferred shares with par value of ₱100.00 per share in TPI.
b. 140,000 common shares with par value of ₱100.00 per share of MC in TPII.
c. 120,000 common shares with par value of ₱100.00 per share of MC in TPIII.

The PCC has approved the above transaction on August 9, 2023 and the transaction was made effective on October 30, 2023 in accordance with the terms of the acquisition (see Note 20). On November 24, 2023, CLC completed the payment of the consideration.

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements as at and for the year ended December 31, 2023, except for the following new standards and amendments effective as at January 1, 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:
  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed.

  The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the consolidated financial statements of the Group.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*
  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

  The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

  The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

  Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023.

  The amendment is currently not applicable to the Group.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained. 13 The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retrospectively. Earlier adoption is permitted, and that fact must be disclosed.

- Certain Provisions of PIC Q&A 2018-12, PFRS 15 *Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)*

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the Philippine SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

  A summary of the PIC Q&A provisions covered by the SEC deferral and the related deferral period follows:

| | | Deferral Period |
|---|---|---|
| a. | Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04) | Until December 31, 2023 |
| b. | Treatment of land in the determination of the POC discussed in PIC Q&A 2018-12-E | Until December 31, 2023 |

  The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

  a. The accounting policies applied.
  b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
  c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
  d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

  In November 2020, the PIC issued the following Q&A which provide additional guidance on the real estate industry issues covered by the above SEC deferrals:

  - PIC Q&A 2020-04, which provides additional guidance on determining whether the transaction price includes a significant financing component.

  After the deferral period, real estate companies have an accounting policy option of applying either the full retrospective approach or modified retrospective approach as provided under SEC MC 8-2021 The Group has opted to adopt the relevant provisions of the PIC Q&A using the modified retrospective approach.

  The effect of the adoption are as follows:

| (In millions) | As previously reported, December 31, 2023 | Adjustment Increase (Decrease) | As restated, Jan. 1, 2024 |
|---|---|---|---|
| Installment Contract Receivable | ₱9,240.52 | (₱776.64) | ₱8,463.88 |
| Deferred Tax Liabilities | 2,458.74 | (155.33) | 2,303.41 |
| Retained Earnings | 11,594.25 | (621.31) | 10,972.94 |

- *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)* In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under paragraph 35(c) of IFRS 15 (PFRS 15). IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under PAS 23, *Borrowing Costs*, considering that these inventories are ready for their intended sale in their current condition.

  The IFRIC Agenda Decision would change the Group's current practice of capitalizing borrowing costs on real estate projects with pre-selling activities.

  On February 21, 2020, the Philippine SEC issued Memorandum Circular No. 4-2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Further, on December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020, which extends the relief on the application of the IFRIC Agenda Decision provided to the Real Estate Industry until December 31, 2023. Effective January 1, 2024, the Real Estate Industry will adopt the IFRIC agenda decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC Agenda Decision.

  For real estate companies that avail of the deferral, the SEC requires disclosure in the Notes to the Consolidated Financial Statements of the accounting policies applied, a discussion of the deferral of the subject implementation issues, and a qualitative discussion of the impact in the financial statements had the IFRIC agenda decision been adopted. The Group has opted to adopt the above IFRIC Agenda Decision using the modified retrospective approach.

  The effect of the adoption are as follows:

| (In millions) | As previously reported, December 31, 2023 | Adjustment Increase (Decrease) | As restated, Jan. 1, 2024 |
|---|---|---|---|
| Real estate inventories | ₱18,832.24 | (₱1,225.86) | ₱17,606.38 |
| Deferred Tax Liabilities | 2,458.74 | (245.17) | 2,213.57 |
| Retained Earnings | 11,594.25 | (980.69) | 10,613.56 |

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Except as otherwise stated, the Group does not expect the adoption of these pronouncements to have a significant impact on the consolidated financial statements.

*Effective beginning on or after January 1, 2025*
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

*Deferred effectivity*
- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification.

An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Financial Instruments

*Financial assets*

*Initial recognition, Classification and Measurement*
At initial recognition, financial assets are classified and measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market-place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.
*Subsequent measurement of financial assets*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at FVTPL
- Financial assets at FVOCI, where cumulative gains or losses previously recognized are reclassified to profit or loss
- Financial assets designated at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss

*Financial assets at amortized cost*

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are initially recognized at fair value plus directly attributable transaction costs and subsequently measured using the effective interest (EIR) method, less any impairment in value. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

As of March 31, 2024 and December 31, 2023, the Group's financial assets at amortized cost include "Cash and cash equivalents", "Short-term investments", "Receivables" (excluding other receivables), rental deposits under "Other current assets" and "Due from related parties"

*Financial liabilities*

*Initial recognition, Classification and Measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fee and other fees.

*Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

*Financial liabilities at FVTPL*

The Group has no financial liability as at FVTPL.

*Loans and borrowings*

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of comprehensive income.

As of March 31, 2024 and December 31, 2023, the Group's financial liabilities at amortized cost includes "Accounts and other payables" (excluding customer's advances and statutory liabilities), "Due to related parties", "Short-term debt", "Liability from purchased land", Long-term debt", "Bonds Payable" and "Liabilities to Preferred Shareholders" under noncurrent liabilities.

Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are also recognized and interest revenue is calculated by applying the credit-adjusted EIR to the amortized cost of the financial asset.

The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for management fee and leasing receivables and vintage analyses for Installment Contract Receivables (ICRs) that are based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all debt financial assets other than ICRs, leasing and management fee receivables, ECLs are recognized using the general approach wherein the Group tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECLs at each reporting date.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Group's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the Group from the time of origination.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

For "Cash and cash equivalents", "Short-term Investments" and "Due from related parties" the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch, as applicable, to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Derecognition of Financial Assets and Liabilities

*Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

*Financial liabilities*

A financial liability is derecognized when the obligation under the financial liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Write-off

The Group writes off a financial asset, in whole or in part, when the asset is considered uncollectible, it has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Real Estate Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Land cost
- Land improvement cost
- Borrowing cost
- Amounts paid to contractors for construction and development
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale.

Real estate inventories include land held for future development. The Group has plans, as approved by the BOD, to construct and develop these parcels of land as a residential property for sale in the ordinary course of business. The physical construction activities have not commenced as of March 31, 2024 and December 31, 2023.

Deposits for Land

The Group normally makes deposits before a CTS or Deed of Absolute Sale (DOAS) is executed between the Group and the landowner. These are recognized and carried at cost less impairment losses, if any.

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, except for borrowing cost for real estate inventories that are under construction in accordance with the *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods*. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest measure using the EIR method and other costs that an entity incurs in connection with the borrowing of funds.

Where borrowings are associated with specific developments, the amount capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted.

Investments in and Advances to Joint Ventures and Associate

An investment is accounted for using the equity method from the day it becomes a joint venture or associate. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and not amortized.

Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and is instead included as income in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statement of comprehensive income reflects the share of the results of the operations of the investee companies, if there's any. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

Investment Properties

Investment properties comprise of properties that are held to earn rentals or capital appreciation or both and that are not occupied by the entities in the Group.

Investment properties are measured initially at cost including certain transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise. The fair values of investment properties are determined based on annual valuation performed by accredited external independent real estate valuation experts based on the "income approach" using discounted cash flow analysis for its income generating buildings which are based on the buildings discounted future cash flows.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner's occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner's occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

For a transfer from investment property to inventories, the change in use is evidenced by commencement of development with a view to sale. When the Group decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized and does not treat it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains

an investment property and is not reclassified as owner-occupied property during the redevelopment. For a transfer from investment property carried at fair value to inventories, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and any impairment in value. The cost of an item of property and equipment includes its purchase price and any cost attributable in bringing the asset to the intended location and working condition.

Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to expenses in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation of property and equipment commences once the property and equipment are put into operational use and is computed on a straight-line basis over the estimated useful lives (EUL) of the property and equipment as follows:

| | Years |
|---|---|
| Office equipment | 3 - 5 |
| Computer equipment | 3 - 5 |
| Furniture and fixtures | 3 - 5 |
| Transportation equipment | 5 |
| Leasehold improvements | 5 or lease term, whichever is shorter |
| Construction equipment | 5 |
| Building | 40 |
| Right-of-use assets | 3 - 6 |

The useful lives and depreciation method are reviewed at financial year end to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment. When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Construction in progress, included in property and equipment, is stated at cost. Depreciation is computed when the relevant asset is completed and becomes available for use in operations, at which time, the asset is reclassified to its property and equipment category.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation and amortization is charged against current operations.

The Group classifies its right-of-use assets as part of property and equipment.

Impairment of Nonfinancial Assets

The Group assesses as at reporting date whether there is an indication that its nonfinancial assets (e.g., property and equipment, deposit for purchased land and investments and advances in joint ventures and associate) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses are recognized in the expense categories of profit or loss consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

For investments in associates and joint ventures, after application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in associates or joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the consolidated statement of comprehensive income.

Leases

*Group as a lessee*

Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*Short-term leases*
The Group applies the short-term lease recognition exemption to its short-term leases of office spaces (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

*Group as a lessor*

Leases where the Group does not transfer substantially all the risk and benefits of the ownership of the asset are classified as operating leases. Otherwise, they are classified as finance leases. Rental income from operating leases is recognized as income on a straight-line basis over the lease term.

Liabilities on Preferred Shares Subscription

Liabilities on preferred shares subscription represent cash received by CALC, a subsidiary, that are convertible to a fixed number of CALC's stocks in the future. CALC's preferred shares are considered as compound financial instruments which contain both liability and equity components. Since the preferred shares are non-redeemable and entitles the holder to a pro-rata share of assets upon liquidation, including twenty-eight (28) free nights to stay at the hotel, this financial instrument is classified as an equity instrument. However, the preferred shares establish a contractual right to a dividend [i.e., the net room rental revenue (NRRR)], thus, it contains a financial liability with respect to the share in the NRRR.

Equity

*Common stock, Preferred stock and Additional paid-in capital*

The Group records common stock and preferred stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par value of the equity share. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

*Retained earnings*

Retained earnings represent accumulated earnings of the Group less dividends declared, if any and transition adjustments from policy changes.

*Treasury shares*

Treasury shares are Parent Company' own equity instruments (whether common or preferred) which are reacquired and are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified, in case of common shares, for the Parent Company and no dividends are allocated to them respectively. When the shares are retired, the common or preferred capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

*Non-controlling interest*

Non-controlling interest are recognized and measured at the proportionate share of the non-controlling interest to the net assets of the Group. When non-controlling interest is subsequently acquired, the difference between the acquisition price and the carrying value of the interest as at acquisition date is recognized as equity reserve under "Other components of equity" account in the consolidated statement of financial position.

Revenue and Cost Recognition under PFRS 15

*Revenue from Contract with Customers*

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water and electricity in its leasing units, wherein it is acting as agent.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

*Real estate sales*
The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured based on the physical proportion of the real estate project's completion. This is based on the monthly project accomplishment report prepared by the third-party project engineers which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself. Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as trade receivables under residential and office development receivables account. Any excess of collections over the recognized trade receivables is included in the "customer's deposit" account in the liabilities section of the consolidated statement of financial position.

*Property management fee, hotel and other services*
Revenue from property management, hotel and other services is recognized over time as they are rendered since the customer simultaneously receives and consumes the benefits provided by the Group's performance of its obligation. Property management fee and other services consist of revenue arising from management contracts, auction services and technical services while Hotel revenue consist of revenue arising from the rental of rooms, food and beverage sales, and other service revenue.

*Cost of real estate sales*
The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated between the sold units being recognized as cost of sales and the unsold units being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Leasing Revenue
The Group leases its commercial real estate properties to others through operating leases. Rental income on leased properties is recognized on a straight-line basis over the lease term, or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Contingent rents are recognized as revenue in the period in which they are earned.

Income from Forfeited Collections
Income from forfeited collections recorded under "Interest and other income" is recognized at a point in time when the deposits from potential buyers are deemed nonrefundable due to prescription of the period for entering into a contracted sale. Such income is also recognized, subject to the provisions of Republic Act 6552, *Realty Installment Buyer Act*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

Interest Income
Interest income is recognized as it accrues, taking into account the effective yield on the asset.

Other Income
Other income consists of customer-related fees such as penalties and surcharges are recognized as they accrue, taking into account the provisions of the related contract.

Cost of Leasing
Cost of leasing pertains to direct costs of leasing the Group's commercial properties. These costs are expensed as incurred.

Cost of Services
Cost of services pertains to direct costs of property management, hotel and other services. These costs are expensed as incurred.

General and Administrative Expenses
General and administrative expenses constitute costs of administering the business and are expensed as incurred.

Contract Balances
*Installment contract receivables (ICRs)*
ICRs pertain to any excess of progress of work over the right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

*Contract assets*
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. The contract assets are presented within the "Installment contract receivables" as allowed by PIC Q&A 2018-12D on the recording of contract asset.

*Contract liabilities*
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer

pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to Obtain Contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are recorded as "Prepaid commissions" in the consolidated statement of financial position. These are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "General and administrative expenses" account in the consolidated statement of comprehensive income.

Costs incurred prior to obtaining contract with customer are expensed as incurred.

*Amortization, de-recognition and impairment of capitalized costs to obtain a contract*

Following the pattern of real estate revenue recognition, the Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price is removed for the impairment test.

Pension Cost

Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with an option to accelerate when significant changes to underlying assumptions occur.

Pension cost includes current service cost, interest cost, past service cost and gains and losses, and curtailment and non-routine settlement.

The liability recognized by the Group in respect of the funded defined benefit pension plan is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

Remeasurements, comprising of actuarial gains or losses, the effect of the asset ceiling, excluding net interest cost and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods

Income Taxes

*Current tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as of the reporting date.

*Deferred tax*

Deferred tax is provided using the balance sheet liability method on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluations. Deferred tax assets are recognized for all deductible temporary differences, carry forward benefit of unused tax credits from the excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits from MCIT and unused NOLCO can be utilized. Deferred tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.

Deferred tax liabilities are not provided on non-taxable temporary differences associated with investments in domestic subsidiaries and associate.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable and is included as part of the "Accounts and other payables" account in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset and is included as part of the "Other current assets" and "Other noncurrent assets" accounts in the consolidated statement of financial position to the extent of the recoverable amount.

Foreign Currency Transactions
Transactions denominated in foreign currencies are initially recorded using the exchange rates prevailing at transaction dates. Foreign currency-denominated monetary assets and liabilities are retranslated using the closing exchange rates at reporting date. Exchange gains or losses arising from foreign currency transactions are credited to or charged against current operations.

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on the Group's business segments is presented in Note 4 to the consolidated financial statements.

Earnings Per Share
Basic earnings per share (EPS) is computed by dividing net income attributable to common stockholders by the weighted average number of common shares issued and outstanding during the year and adjusted to give retroactive effect to any stock dividends declared during the period. The net income attributable to common stockholders of the Parent Company is net of dividends attributable to preferred stockholders.
Diluted EPS is computed by dividing net income attributable to common equity holders by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares. The calculation of diluted EPS does not assume conversion, exercise or other issue of potential common shares that would have an antidilutive effect on earnings per share.

As of March 31, 2024 and 2023, the Group has no potentially dilutive common shares.

Events After the Reporting Date
Post year-end events up to the date of auditor's report that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the consolidated financial statements in compliance with PFRSs requires the Group to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments, estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

*Material partly-owned subsidiaries*

The consolidated financial statements include additional information about subsidiaries that have NCI that are material to the Company (see Note 20). Management determined material partly-owned subsidiaries as those with carrying value of NCI greater than 5% of total NCI as at end of the year.

*Existence of a contract*

The Group's primary document for a contract with a customer is a signed CTS. It has determined, however, that in cases wherein CTS are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

*Revenue recognition method and measure of progress*

The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use; and (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about 5% would demonstrate the buyer's commitment to pay.

The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

*Incorporation of forward-looking information*

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group has considered a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on its evaluation and assessment and after taking into consideration external actual and forecast information, the Group considers a representative range of possible forecast scenarios. This process involves gathering two or more economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predictive relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Group has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

*Operating lease commitments - the Group as a lessor*
Management has determined that the Group retains all significant risks and rewards of underlying assets and thus, accounts for the contracts as operating leases. The ownership of the underlying assets is not transferred to the lessee by the end of the lease term. Leasing revenue amounted to ₱291.18 million and ₱312.43 million for the three-months period ended March 31, 2024 and 2023, respectively (see Note 21).

*Distinction of property between real estate inventories, property and equipment and investment properties*
The Group determines whether a property will be classified as real estate inventories, property and equipment or investment properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (real estate inventories) and even if the real estate inventories are leased out, the classification remains on the condition that the intent to sell remains. The Group also considers whether the property is held for administrative purposes and classifies the property under property and equipment. All other properties that are not yet determined to be sold in the normal operating cycle nor held for administrative purposes are classified as investment properties.

In 2023, the Group, as approved by the BOD, decided to remove 158 units it owns in Novotel Suites Manila at Acqua 6 with a total cost of ₱1,152.68 million from the hotel pool and to sell these as regular residential units. Accordingly, the Group reclassified such amount from "property and equipment" to "real estate inventories" (Notes 8 and 13).

Management's Use of Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Revenue recognition on real estate projects*
The Group's revenue recognition require management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Group's revenue from real estate and construction contracts is recognized based on POC are measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and requires technical determination by management's specialists (third-party project engineers).

*Collectability of the sales price*
In determining whether the sales price is collectible, the Group considers that the initial and continuing investments by the buyer of 5% would demonstrate the buyer's commitment to pay. Based on the historical trend of cancellations of customer contracts, the management believes that 5% continues to be reasonable. The revenue arising from these sales contracts amounted to ₱3,128.15 million and ₱2,886.11 million for the three-month period ended March 31, 2024 and 2023, respectively.

*Fair value of investment properties*
The Group carries its investment properties at fair value, with changes in fair value being recognized in profit or loss except for investment properties under construction. The Group determined that the fair value of its investment properties under construction cannot yet be reliably measurable, as such these investment properties are measure at cost. Once the construction is complete or the fair value is reliably measurable, whichever comes first, the Group will measure the investment property at fair value.

For its investment properties that are complete and whose fair values are reliably measurable, the Group engages annually independent valuation specialists to determine its fair value. The appraisers used income approach using discounted cash flow method for its properties which are based on future cash flows available for such properties.

*Evaluation of impairment of financial assets*
The Group uses a provision matrix to calculate ECLs for cash and cash equivalents, short-term investments, receivables other than ICRs, due from related parties, rental deposits and investment in bonds. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for ICRs. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The Group defines a financial instrument as "in default" when a customer is more than 90 days past due on its contractual obligations. However, in certain cases, the Group may also consider a financial asset to be "in default" when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. An instrument is considered to be no longer in default (i.e., to have cured) when it no longer meets any of the default criteria.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is

sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

As of March 31, 2024, and December 31, 2023, the allowance for impairment losses on financial assets of the Group amounted to ₱34.85 million and ₱34.85 million, respectively (see Note 7). As of March 31, 2024, and December 31, 2023, the carrying values of these assets are as follows:

| | **March 31, 2024 (in millions)** | December 31, 2023 (in millions) |
|---|---|---|
| Cash and cash equivalents (Note 5) | **₱4,221.10** | ₱3,543.35 |
| Short-term investments (Note 6) | **18.26** | 18.26 |
| Receivables* (Note 7) | **10,349.66** | 11,549.90 |
| Due from related parties (Note 17) | **1,700.86** | 1,566.24 |
| Rental deposits (Note 14) | **94.88** | 94.25 |

**Excluding other receivables that are non-financial in nature amounting to ₱487.53 million and ₱365.13 million as of March 31, 2024 and December 31, 2023, respectively.*

*Estimating NRV of real estate inventories*
The Group reviews the NRV of real estate inventories and compares it with the cost since assets should not be carried in excess of amounts expected to be realized from sale. Real estate inventories are written down below cost when the estimated NRV is found to be lower than the cost.

NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group having taken suitable external advice and in light of recent market transactions. NRV in respect of inventory under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction less an estimate of the time value of money to the date of completion. The estimates used took into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

The carrying values of real estate inventories amounted to ₱17,571.46 million and ₱18,832.24 million as of March 31, 2024 and December 31, 2023, respectively (see Note 8).

*Impairment of nonfinancial assets*
The Group assesses impairment on its nonfinancial assets and considers the following important indicators:

- Significant changes in asset usage;
- Significant decline in assets' market value;
- Obsolescence or physical damage of an asset;
- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of usage of the acquired assets or the strategy for the Group's overall business; and
- Significant negative industry or economic trends.

If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the asset's fair value less cost to sell or value in use whichever is higher.

The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to be generated from the continued use of the asset. The Group is required to make estimates and assumptions that can materially affect the carrying amount of the asset being assessed.

No impairment was recognized for the Group's nonfinancial assets as of March 31, 2024 and December 31, 2023.

*Recognition of deferred tax assets*
The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces the amounts to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Significant judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future planning strategies.

## 4. SEGMENT REPORTING

Business segment information is reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources among operating segments. Accordingly, the segment information is reported based on the nature of service the Group is providing.

The segments where the Group operate follow:

- Real estate development - sale of high-end, upper middle-income and affordable residential lots and units and lease of residential developments under partnership agreements;
- Leasing - lease of the Group's retail mall;
- Property management - facilities management of the residential and corporate developments of the Group and other third-party projects, including provision of technical and related consultancy services.

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

The financial information about the operations of these operating segments is summarized below:

| | For the Three-Month Period Ended March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Real Estate Development | Leasing | Hotel and Property Management | Adjustments and Elimination | Consolidated |
| **Revenue** | **₱3,166,030,945** | **₱302,453,864** | **₱121,691,467** | **(₱11,267,273)** | **₱3,578,909,003** |
| **Costs and expenses** | | | | | |
| Cost of real estate sales and services | **1,809,793,793** | **108,831,015** | **82,790,968** | **–** | **2,001,415,776** |
| General, administrative and selling expenses | **902,542,317** | **26,288,904** | **31,014,012** | **(108,571,149)** | **851,274,084** |
| **Operating income** | **453,694,835** | **167,333,945** | **7,886,487** | **97,303,876** | **726,219,143** |
| Other income | **793,587,276** | **17,221,025** | **928,835** | **(667,667,021)** | **144,070,115** |
| Other expense | **(249,607,443)** | **(105,187,005)** | **(141,862)** | **–** | **(354,936,310)** |
| **Income before income tax** | **997,674,668** | **79,367,965** | **8,673,460** | **(570,363,145)** | **515,352,948** |
| Provision for income tax | **101,283,641** | **2,369,526** | **2,168,365** | **–** | **105,821,532** |
| **Net income** | **₱896,391,027** | **₱76,998,439** | **₱6,505,095** | **(₱570,363,145)** | **₱409,531,416** |

| | For the Three-Month Period Ended March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | **Real Estate Development** | **Leasing** | **Hotel and Property Management** | **Adjustments and Elimination** | **Consolidated** |
| **Net income attributable to**: | | | | | |
| Owners of the Parent Company | **₱896,391,027** | **₱76,998,439** | **₱6,505,095** | **(₱570,363,145)** | **₱409,531,416** |
| Non-controlling interests | **–** | **–** | **–** | **–** | **–** |
| | **₱896,391,027** | **₱76,998,439** | **₱6,505,095** | **(₱570,363,145)** | **₱409,531,416** |
| | **As of March 31, 2024** | | | | |
| **Other information** | | | | | |
| Segment assets | **₱67,209,929,828** | **₱18,965,384,930** | **₱1,503,290,393** | **(₱33,573,492,773)** | **₱54,105,112,378** |
| Deferred tax assets | **29,793,524** | **16,882,409** | **–** | **9,924,149** | **56,600,082** |
| **Total Assets** | **₱67,239,723,352** | **₱18,982,267,339** | **₱1,503,290,393** | **(₱33,563,568,624)** | **₱54,161,712,460** |
| Segment liabilities | **₱43,980,981,439** | **₱1,487,702,854** | **₱6,648,762,533** | **(₱21,154,054,627)** | **₱30,963,392,199** |
| Deferred tax liabilities | **1,241,396,324** | **–** | **908,108,144** | **(14,855,991)** | **2,134,648,477** |
| **Total Liabilities** | **₱45,222,377,763** | **₱1,487,702,854** | **₱7,556,870,677** | **(₱21,168,910,648)** | **₱33,098,040,676** |

| | For the Three-Month Period Ended March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Real Estate Development | Leasing | Property Management | Adjustments and Elimination | Consolidated |
| Revenue | ₱2,933,093,504 | ₱312,429,545 | ₱110,853,639 | (₱18,838,864) | ₱3,337,537,824 |
| Costs and expenses | | | | | |
| Cost of real estate sales and services | 1,702,149,785 | 109,834,769 | 71,608,602 | – | 1,883,593,156 |
| General, administrative and selling expenses | 889,275,401 | 13,470,530 | 15,918,052 | (33,583,899) | 885,080,084 |
| Operating income | 341,668,318 | 189,124,246 | 23,326,985 | 14,745,035 | 568,864,584 |
| Other income | 368,321,378 | 2,609,534 | – | (266,155,100) | 104,775,812 |
| Other expense | (173,611,483) | (99,860,852) | (4,675) | – | (273,477,010) |
| Income before income tax | 536,378,213 | 91,872,928 | 23,322,310 | (251,410,065) | 400,163,386 |
| Provision for income tax | 81,294,139 | 16,479,838 | – | – | 97,773,977 |
| Net income | ₱455,084,074 | ₱75,393,090 | ₱23,322,310 | (₱251,410,065) | ₱302,389,409 |
| Net income attributable to: | | | | | |
| Owners of the Parent Company | ₱326,709,969 | ₱75,393,090 | ₱23,322,310 | (₱251,410,065) | ₱174,015,304 |
| Non-controlling interests | 128,374,105 | – | – | – | 128,374,105 |
| | ₱358,075,021 | ₱75,393,090 | ₱23,322,310 | (₱251,410,065) | ₱302,389,409 |
| | As of March 31, 2023 | | | | |
| Other information | | | | | |
| Segment assets | ₱67,392,933,360 | ₱18,768,484,419 | ₱298,297,841 | (₱29,825,330,287) | ₱56,634,385,333 |
| Deferred tax assets | 10,590,006 | - | 12,625,887 | 9,988,625 | 33,204,518 |
| Total Assets | ₱67,403,523,366 | ₱18,768,484,419 | ₱310,923,728 | (₱29,815,341,662) | ₱56,667,589,851 |
| Segment liabilities | ₱36,035,463,798 | ₱13,420,968,000 | ₱230,942,854 | (₱19,596,574,561) | ₱30,090,800,091 |
| Deferred tax liabilities | 1,570,692,006 | 902,645,971 | - | 58,903,250 | 2,532,241,227 |
| Total Liabilities | ₱37,606,155,804 | ₱14,323,613,971 | ₱230,942,854 | (₱19,537,671,311) | ₱32,623,041,318 |

## 5. CASH AND CASH EQUIVALENTS

This account consists of:

| | **March 31, 2024 (Unaudited)** | December 31, 2023 (Audited) |
|---|---|---|
| Cash on hand and in banks | **₱2,372,384,571** | ₱2,187,042,638 |
| Cash equivalents | **1,848,717,105** | 1,356,309,321 |
| | **₱4,221,101,676** | ₱3,543,351,959 |

Cash in banks earns interest at the prevailing bank deposit rates.

Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earn interest at prevailing short-term rates ranging from 4.12% to 6.00% and 0.25% to 4.60%. Interest income in cash and cash equivalents amounted to ₱22.89 million and ₱19.29 million for the three-month period ended March 31, 2024 and 2023, respectively.

## 6. SHORT-TERM INVESTMENTS

As of March 31, 2024 and December 31, 2023, short-term investments amounted to ₱18.26million. Short-term investments include money market placements exceeding 3 months but less than one year. Short-term investments earn at prevailing short-term rate of 2.30% to 3.38% in 2024 and 2022.

Interest income earned on short-term investments amounted to ₱0.05 million and ₱0.05 million for the three months period-ended March 31, 2024 and 2023, respectively.

## 7. RECEIVABLES

This account consists of:

| | **March 31, 2024 (Unaudited)** | December 31, 2023 (Audited) |
|---|---|---|
| Trade receivables | | |
| ICR | **₱9,240,519,948** | ₱10,513,080,456 |
| Leasing receivable | **433,307,838** | 433,567,822 |
| Management fees | **187,454,078** | 191,548,312 |
| Receivable from employees and agents (see Note 16) | **487,529,119** | 365,129,483 |
| Advances to condominium corporations | **113,681,294** | 113,681,294 |
| Advances to customers | **135,135,628** | 130,572,262 |
| Other receivables | **274,413,233** | 202,299,203 |
| | **10,872,041,138** | 11,949,878,832 |
| Allowance for impairment losses | **(34,851,667)** | (34,851,667) |
| | **10,837,189,471** | 11,915,027,165 |
| Non-current portion of ICR | **(1,062,900,379)** | (1,268,850,078) |
| | **₱9,774,289,092** | ₱10,646,177,087 |

ICRs pertain to receivables from the sale of real estate properties. These are collectible in monthly installments over a period of one (1) to five (5) years, bear no interest and with lump sum collection upon project turnover. Titles to real estate properties are not transferred to the buyer until full payment has been made. During the year, the Group recognized additional ICRs in relation to the launch of its new projects.

Leasing receivables represent the outstanding receivables arising from the lease of commercial centers relating to the Group's mall and offices and are collectible within 30 days from billing date. These are covered by security deposit of tenants' equivalent to two to four-month rental and two to four-month advance rent paid by the lessees. This includes both the fixed and contingent portion of lease. It also includes accrued rental receivable pertains to the effect of straight-line calculation of rental income.

Management fees are revenues arising from property management contracts. These are collectible on a 15- to 30-day basis depending on the terms of the management service agreement.

Receivable from employees and agents pertains to cash advances for retitling costs and other operational and corporate-related expenses. These are realized within twelve months and bears no interest. It also includes salary and other loans granted to the employees and are recoverable through salary deductions. These are noninterest-bearing and are due and demandable.

Advances to condominium corporations pertain to expenses paid by the Group on behalf of the condominium corporations for various expenses incurred for the projects already turned over. These receivables are due and demandable and bear no interest.

Advances to customers pertain to expenses paid by the Group on behalf of the customers for the taxes and other costs incurred in securing the title in the name of the customers. These receivables are billed separately to the respective buyers and are expected to be collected within one (1) year.

Others, mainly consist of receivables for repairs and installation cost charge to tenants and reimbursement of regulatory payments.

The allowance for expected credit losses pertain to management fees and other receivables.

*Receivable financing*
The Group entered into various agreements with a local bank whereby the Group assigned its ICRs and contract assets with recourse at weighted average interest rates ranging from 6.07% to 9.50% in March 31, 2023. The assignment agreements provide that the Group will substitute defaulted CTS with other CTS of equivalent value.

The Group still retains the assigned receivables in the receivables account and records the proceeds from these sales as long-term debt (see Note 18). The gross amount of ICRs and contract assets used as collateral amounted to ₱808.24 million and ₱921.96 million as of March 31, 2024 and of December 31, 2023, respectively (see Note 18).

## 8. REAL ESTATE INVENTORIES

This account represents the real estate projects for which the Group has been granted license to sell by the Housing and Land Use Regulatory Board of the Philippines. Details of this account follows:

| | **March 31, 2024 (Unaudited)** | December 31, 2023 (Audited) |
|---|---|---|
| Condominium units | **₱9,596,262,103** | ₱11,449,852,612 |
| Residential house and lots | **6,877,492,498** | 6,352,878,859 |
| Land held for future developments | **1,097,704,244** | 1,029,503,732 |
| | **₱17,571,458,845** | ₱18,832,235,203 |

The roll forward of this account follows:

| | **March 31, 2024 (Unaudited)** | December 31, 2022 (Audited) |
|---|---|---|
| Balance at beginning of year | **₱18,832,235,203** | ₱17,723,397,564 |
| Construction costs incurred | **1,702,956,768** | 4,103,984,361 |
| Purchase of land | **68,200,512** | 1,708,076,167 |
| Borrowing costs capitalized (Note 18) | **–** | 157,112,951 |
| Transfers from property and equipment | **–** | 1,152,684,987 |
| Impact of the adoption IFRIC agenda decision on over time transfer of constructed goods (PAS 23) | **(1,222,139,845)** | – |
| Cost of real estate sales | **(1,809,793,793)** | (6,013,020,827) |
| Balance at end of year | **₱17,571,458,845** | ₱18,832,235,203 |

General and specific borrowings were used to finance the Group's ongoing real estate projects. The related borrowing costs were capitalized as part of real estate inventories. The capitalization rate used in 2024 and 2023 are nil and 1.40%, respectively, for general borrowing costs.

Real estate inventories recognized as "Cost of real estate sales" amounted to ₱1,809.79 million and ₱1,702.15 million for the three-month period ended March 31, 2024 and 2023, respectively.

In 2023, the Group purchased land in Batangas, Bacolod and Nueva Ecija which will be developed into a residential house and lot to be held for sale with amount totaling to ₱1,708.07 million. The related deposit on land amounting to ₱297.69 million were applied as the payment for the purchase of land.

The carrying values of inventories mortgaged for trust receipts payables and bank loans amounted to ₱4,431.65 million and ₱2,296.48 million as of March 31, 2024 and December 31, 2023, respectively (see Note 18).

## 9. ADVANCES TO SUPPLIERS AND CONTRACTORS

Advances to suppliers and contractors amounting to ₱1,684.94 million and ₱1,661.85 million as of March 31, 2024 and December 31, 2023, respectively, are recouped and capitalized as part of inventories upon every progress billing payment depending on the percentage of accomplishment. These advances are intended for the construction of the Group's projects.

## 10. DEPOSIT FOR PURCHASED LAND

This account consists of deposits made to property owners for the acquisition of parcels of land for which the use is currently undetermined. Deposits for purchased land amounted to ₱1,116.79 million as of March 31, 2024 and December 31, 2023.

## 11. INVESTMENT IN AND ADVANCES TO JOINT VENTURES AND ASSOCIATE

Investment in and advances to joint ventures and associate amounted to ₱277.32 million as of March 31, 2024 and December 31, 2023, respectively.

The Group has not incurred any contingent liabilities as of March 31, 2024 and December 31, 2023 in relation to its interest in the joint ventures and associate, nor do the joint ventures and associate themselves have any contingent liabilities for which the Group is contingently liable. The Group has not entered into any capital commitments in relation to its interest in the joint ventures and associate and did not receive any dividends from the joint ventures and associate.

## 12. INVESTMENT PROPERTIES

The Group's investment properties consist of commercial properties currently being leased out. Commercial properties include office buildings and retail mall located in key cities and municipalities in the Philippines.

Movements in this account are as follows:

| | **2023** | 2023 |
|---|---|---|
| **Cost** | **8,343,741,289** | 8,343,741,289 |
| **Change in fair value:** | | |
| Balance at beginning of year | **4,078,167,801** | 4,051,238,721 |
| Gain from change in fair value of investment property | – | 26,929,080 |
| Balance at end of year | **4,078,167,801** | 4,078,167,801 |
| | **₱12,421,909,090** | ₱12,421,909,090 |

For the three-month period ended March 2024 and 2023, the Group recognized leasing revenue from the use of the said real properties amounting to ₱291.19 million and ₱312.43 million, respectively, and incurred direct cost of leasing amounting to ₱108.83 million and ₱109.83 million, respectively, in relation to these investment properties.

The carrying values of investment properties mortgaged for trust receipts payables and bank loans amounted to ₱8,444.03 million as of March 31, 2024 and December 31, 2023 (see Note 18).

Investment properties are stated at fair value, which has been determined based on valuations performed by a SEC-accredited independent valuer as of March 31, 2024 and December 31, 2023.

For the Group's leasing properties, the Group adopted the discounted cash flow analysis which considers the future cash flows from lease contracts.

The fair value of the investment properties classified as buildings and land in the consolidated financial statements is categorized within Level 3 of the fair value hierarchy.

The key assumptions used to determine the fair value of the investment properties and sensitivity analyses are as follows:

| Property | Valuation technique | Significant unobservable inputs | Range | |
|---|---|---|---|---|
| | | | **2023** | 2022 |
| Land and Buildings | DCF | Discount rates for similar lease contracts, market rent levels, expected vacancy and expected maintenance. | **Discount rate – 10.30% to 11.80%** | Discount rate - 11.26 % to 12.48% |
| | | | **Market rent levels - ₱400 to ₱1,500/sqm per month** | Market rent levels - ₱400 to ₱1,500/sqm per month |
| | | | **Expected vacancy - 5% to 30%;** | Expected vacancy - 5% to 45% |
| | | | **Expected maintenance - 1% to 5% of gross revenue** | Expected maintenance - 2% to 10% of gross revenue |

For DCF, significant increases (decreases) in estimated market rent levels and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the investment properties. Significant increases (decreases) in the expected vacancy rate and discount rate in isolation would result in a significantly lower (higher) fair value.

## 13. PROPERTY AND EQUIPMENT

The composition and movements of this account are as follows:

| | **March 31, 2024 (Unaudited)** | December 31, 2023 (Audited) |
|---|---|---|
| Office Furniture and Equipment | **₱52,325,384** | ₱58,066,661 |
| Transportation Equipment | **7,113,858** | 5,005,836 |
| Leasehold Improvements | **57,565,903** | 42,156,793 |
| Construction Equipment | **58,603,457** | 45,217,461 |
| Land and building | **1,176,167,562** | 1,180,878,963 |
| Right-of-use Assets | **40,723,978** | 41,431,445 |
| | **₱1,392,500,142** | ₱1,372,757,159 |

Property and equipment include Land and building that pertains to the following:

- 152 CALC owned units in Novotel Suites Manila at Acqua 6 Tower of Acqua Private Residences amounting to ₱621.57 million and ₱625.05 million as of March 31, 2024 and December 31, 2023, respectively.

- The Pebble (four-storey waterfront clubhouse) of Acqua Private Residences amounted to ₱554.60 million and ₱556.82 million as of March 31, 2024, and December 31, 2023, respectively.

As of March 31, 2024, and December 31, 2023, there are no restrictions on the items of property and equipment of the Group and none of these are pledged as security for the Group's obligations.

The depreciation and amortization in March 31, 2024 and 2023 are recognized as follows:

| | **March 31, 2024 (Unaudited)** | March 31, 2023 (Unaudited) |
|---|---|---|
| General, administrative, and selling expenses (Note 21) | **₱18,597,474** | ₱24,511,755 |

There is no interest expense or borrowing cost capitalized for PPE in 2024 and 2023.

## 14. OTHER ASSETS

This account consists of:

| | **March 31, 2024 (Unaudited)** | December 31, 2023 (Audited) |
|---|---|---|
| Current: | | |
| Prepaid commissions | **₱755,523,849** | ₱689,553,895 |
| Input taxes | **621,390,706** | 480,309,960 |
| Creditable withholding taxes | **467,192,890** | 333,995,593 |
| Prepaid expenses | **135,698,957** | 122,770,169 |
| Deferred financing cost | **–** | 19,978,705 |
| Others | **30,874,966** | 33,283,294 |
| | **₱2,010,681,368** | ₱1,679,891,616 |
| Noncurrent: | | |
| Prepaid commissions | **₱80,921,110** | ₱80,921,110 |
| Creditable withholding taxes | **243,553,449** | 330,156,449 |
| Advances to landowners | **259,024,174** | 259,024,174 |
| Rental deposits (Note 28) | **94,884,775** | 94,247,911 |
| Input taxes | **93,892,220** | 93,892,220 |
| Intangible assets | **46,228,883** | 43,311,171 |
| Others | **33,600,029** | 29,865,318 |
| | **₱852,104,640** | ₱931,418,353 |

Prepaid commissions pertain to capitalized commission expenses payable to its agents on the sale of its real estate projects related to contracts that have qualified for revenue recognition. These will be recognized as commission expense under "General, administrative and selling expenses" in the period in which the related real estate sales are recognized.

Input taxes are fully realizable and will be applied against output VAT.

Creditable withholding taxes are attributable to taxes withheld by third parties arising from real estate sale, property management fees and leasing revenues.

Advances to landowners pertains to the initial payment made by the Group, in accordance to its memorandum of agreement to acquire 56 hectares of property to developed a beach style lifestyle destination in the Municipality of Palawan.

Rental deposits mostly pertain to security deposits held and applied in relation to the Group's lease contracts for its administrative and sales offices. The deposits are noninterest-bearing and are recoverable through application of rentals at the end of the lease term.

Intangible assets include software costs and trademarks. Software cost includes application software and intellectual property licenses owned by the Group. Trademarks are licenses acquired separately by the Group. These licenses arising from the Group's marketing activities have been granted for a minimum of 10 years by the relevant government agency with the option to renew at the end of the period at little or no cost to the Group. Previous licenses acquired have been renewed and enabled the Group to determine that these assets have an indefinite useful life.

## 15. ACCOUNTS AND OTHER PAYABLES

This account consists of:

| | **March 31, 2024 (Unaudited)** | December 31, 2023 (Audited) |
|---|---|---|
| Accounts payable | **₱2,964,485,043** | ₱2,602,712,570 |
| Customers' advances | **2,908,329,222** | 2,367,510,254 |
| Accrued expenses | **841,032,213** | 825,702,285 |
| Retention payable | **424,104,804** | 399,446,373 |
| Other payables | **24,306,021** | 24,193,790 |
| | **₱7,162,257,303** | ₱6,219,565,272 |

Accounts payable are attributable to the construction costs incurred by the Group. These are noninterest-bearing and with terms of 15 to 90 days.

Customers' advances pertain to funding from buyers of real estate for future application against transfer and registration fees and other taxes to be incurred upon transfer of properties to the buyer. The movement of customers' advances is mainly due to advance payment of buyers less fees incurred for the turned over properties.

"Accrued expenses" consist mainly of, commission, salaries, taxes, interest, utilities, marketing costs, professional fees, insurance, and other outside services.

Retention payable is noninterest-bearing and is normally settled on a 30-day term upon completion of the relevant contracts.

## 16. CONTRACT LIABILITIES

Contract liabilities consist of collections from real estate customers which have not qualified for revenue recognition and excess of collections over the recognized receivables based on percentage of completion. The movement in contract liability is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold and from increase in

percentage of completion As of March 31, 2024 and December 31, 2023, carrying values of contract liabilities amounted to ₱3,809.47 million and ₱3,873.08 million, respectively.

## 17. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

Terms and Conditions of Transactions with Related Parties

The Group in their regular conduct of business has entered into transactions with related parties principally consisting of advances and reimbursement of expenses, development, management, marketing, leasing and administrative service agreements and purchases which are made at normal market prices. Outstanding balances at year-end are unsecured and noninterest-bearing. There have been no guarantees provided or received for any related party receivables or payables. Related party transactions are settled in cash.

The Group has material related party transactions policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

The Group has an approval requirement such that material related party transactions shall be reviewed by the Related Party Transactions Committee (the Committee) and endorsed to the BOD for approval. Material related party transactions are those transactions that meet the threshold value as approved by the Committee amounting to ₱50.0 million and other requirements as may be recommended by the Committee.

The related party transactions are shown under the following accounts in the consolidated financial statements:

**Due from Related Parties**

| | Outstanding balances | | Amount of transactions | | Terms and Conditions |
|---|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 | |
| Ultimate Parent | **₱966,222,358** | ₱866,610,929 | **₱99,611,429** | ₱596,173,016 | |
| Officers and stockholders | **265,977,152** | 230,977,152 | **35,000,000** | 7,800,000 | |
| **Under common control** | | | | | Noninterest bearing, due and demandable, unsecured, no impairment |
| CISI | **450,659,309** | 450,659,309 | **–** | – | |
| CGIC | **77,093** | 77,093 | **–** | 507 | |
| CRIT | **507** | 507 | **–** | (10,314) | |
| **Entity managed by a related party** | | | | | |
| CAC | **17,918,763** | 17,918,763 | **–** | (13,041,653) | |
| | **₱1,700,855,182** | ₱1,566,243,753 | **₱134,611,429** | ₱590,921,556 | |

**Due to Related Parties**

| | Outstanding balance | | Amount of transaction | | Terms and Conditions |
|---|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 | |
| Ultimate Parent | **₱243,861,878** | ₱243,861,878 | **₱ –** | ₱6,577,128 | Noninterest bearing, due and demandable, unsecured |
| CGIC | **456,360** | 456,360 | – | – | |
| Officers and stockholders | **139,778,855** | 139,778,855 | – | 19,459,339 | |
| | **₱384,097,093** | ₱384,097,093 | **₱ –** | ₱26,036,467 | |

Significant transactions of the Group with related parties are described below:

Due from related parties pertains to advances provided by the Group to the stockholders and other affiliates. These are generally unsecured, noninterest-bearing, and are due and demandable and are not impaired.

Due to related parties pertains to advances made by the Group for the capital expenditure of the affiliates. These are generally noninterest bearing and are due and demandable.

In 2023, CPMI write-off its advances to CAC amounting to ₱12.83 million.

*Key management compensation*
The key management personnel of the Group include all directors, executive, and senior management. The details of compensation and benefits of key management personnel for the three-month period ended March 31, 2024 and 2023 follow:

| | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| Short-term employee benefits | **₱32,205,091** | ₱30,671,515 |
| Post-employment benefits | **1,611,974** | 1,535,213 |
| | **₱33,817,065** | ₱32,206,728 |

*Terms and condition of transactions with related parties*
There have been no guarantees provided or received for any related party receivables or payables. As of March 31, 2024 and December 31, 2023, the Group has not made any provision for probable losses relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

## 18. SHORT-TERM AND LONG-TERM DEBT

This account consists of:

| | **March 31, 2024 (Unaudited)** | December 31, 2023 (Audited) |
|---|---|---|
| Short-term debt: | | |
| Bank loans | **₱1,694,250,000** | ₱766,000,000 |
| Trust receipts | **-** | 25,664,471 |
| | **₱1,694,250,000** | ₱791,664,471 |

| | **March 31, 2024 (Unaudited)** | December 31, 2023 (Audited) |
|---|---|---|
| Long-term debt: | | |
| Bank loans – net of discount | **₱8,684,009,935** | ₱9,045,691,229 |
| Payable under CTS financing | **1,160,057,898** | 1,306,542,403 |
| | **9,832,804,788** | 10,352,233,632 |
| Less current portion | **3,526,407,283** | 3,851,897,104 |
| Noncurrent portion | **₱6,317,660,550** | ₱6,500,336,528 |

Short-term Debt

*Trust receipts*

Trust receipts (TRs) are facilities obtained from various banks to finance purchases of construction materials the Group's projects. Under these facilities, the banks pay the Group's suppliers then require the Group to execute trust receipts over the goods purchased. The TRs have average interest rates ranging from 7.60% and 5.75% to 6.25% in 2023 and 2022, respectively. These are paid monthly or quarterly in arrears with full payment of principal balance at maturity of one year and with an option to prepay.

*Short-term bank loans*

Bank loans pertain to the following various short-term promissory note (PN) obtained by the Group:

- On February 28, 2024, the Group availed with ChinaBank a term loan amounting to ₱1,000.00 million with an interest rate of 7.90% per annum. The loan interest is payable quarterly and the principal is payable on December 18, 2024.
- On 5 June 2023, the Company entered into a Master Trust and Agency Agreement with PNB Trust for the Issuance of Short-Term Master Promissory Note ("**MPN**"). As of March 31, 2024, and as of December 31, 2023, the outstanding balance of the MPN amounted to P63.00 million and ₱256.00 million, respectively.
    - On 7 July 2023, the Company issued a six-month Short-Term Series A MPN due 3 January 2024 amounting to ₱86 Million at a fixed rate of 6.7181% per annum. The proceeds of the Short-Term MPN were utilized for the Company's working capital and/or general corporate purposes.
    - On 9 August 2023, the Company issued a six-month Short-Term Series B MPN due 5 February 2024 amounting to ₱144 Million at a fixed rate of 6.0731% per annum. The proceeds of the Short-Term MPN were utilized for the Company's working capital and/or general corporate purposes.
    - On 13 September 2023, the Company issued a six-month Short-Term Series C MPN due 11 March 2024 amounting to ₱49 Million at a fixed rate of 6.7807% per annum. The proceeds of the Short-Term MPN were utilized for the Company's working capital and/or general corporate purposes.
    - On 13 September 2023, the Company issued a twelve-month Short-Term Series D MPN due 7 September 2024 amounting to ₱63 Million at a fixed rate of 7.1457% per annum. The proceeds of the Short-Term MPN were utilized for the Company's working capital and/or general corporate purposes.

  The issuances of the MPN were made on the basis of Section 10.1(l) of the Securities Regulation Code ("SRC") or on the basis of the qualified buyer exemption, which is a transaction exempt from the securities registration requirement. Accordingly, all the lenders or the beneficial owners of the

MPN are qualified buyers as such term is defined in the SRC and its implementing regulations (as amended by SEC Memorandum Circular No. 6, series of 2021) ("SRC Rules").

The CP IS form was submitted to the SEC for each series as a notice of exemption from the registration requirement prior to the issuance of the MPN, pursuant to Rule 10.1.6.1 of the SRC Rules.

- In 2023, the Group availed of a short-term PN facility with Philtrust Bank with total amount of ₱465.00 million with an interest rate of 8.00% per annum, which is payable monthly until full payment with option to renew annually. During the first quarter of 2024, the Group availed additional ₱60.00 million from the PN facility with an interest rate of 8.00% per annum, which is payable monthly until full payment with option to renew annually. As of March 31, 2024, and December 31, 2023 the outstanding balance of the PNs amounted to ₱525.00 million and ₱465.00 million, respectively.

- In 2023, the Group availed of a short-term PN facility with Chinabank Savings Bank with total amount of ₱30.00 million with an interest rate of 8.38% per annum, which is payable monthly until full payment. During the first quarter of 2024, the Group availed an additional ₱68.75 million from the PN facility with an interest rate of 8.25% per annum, which is payable monthly until full payment. As of March 31, 2024, and December 31, 2023 the outstanding balance of the PNs amounted to
₱91.25 million and ₱30.00 million, respectively.

- In 2023, the Group availed of a short-term PN facility with Bank of the Philippine Islands with total amount of ₱15.00 million with an interest rate of 7.75% per annum, interest is payable monthly until full payment or renewal.

Long-term Debt

*Bank Loans*

Bank loans pertains to the following various long-term debt availed by the Group:

| Date of availment | **March 31, 2024 (in millions)** | December 31, 2023 (in millions) | Maturity | Interest Rate | Payment Terms |
|---|---|---|---|---|---|
| March 2024 | **₱50.00** | ₱– | Various maturities until July 2026 | 8.75% | Interest and principal payable quarterly |
| November 2023, | **1,460.55** | 1,500.00 | November 2028 | 8.06%, Fixed up to 2 years only; Repricing on November 2025 | Interest and principal payable quarterly |
| January - December 2023 | **400.00** | 400.00 | Various maturities until July 2026 | 8.21%-9.08%; Quarterly repricing | Interest and principal payable quarterly |
| August and October 2022 | **3,863.75** | 3,893.75 | October 2027 | 7.39%; Fixed up to 2 years only; Quarterly repricing by Aug 2024 | Interest and principal payable quarterly |
| October 2019 | **2,327.50** | 2,432.50 | September 2024 | 7.75%; Semi-annual repricing | Interest and principal payable quarterly |
| December 2022 | **426.76** | 427.30 | September 2026 | 8.50%; Annual repricing | Interest and principal payable quarterly |
| May 2021 | **175.00** | 202.95 | May 2025 | 4.65%; Annual repricing | Interest and principal payable quarterly |
| September - October 2019 | | 249.70 | September 2024 | 8.75%; Annual repricing | Interest and principal payable quarterly |
| | **₱8,703.56** | ₱9,107.52 | | | |

*CTS financing*
CTS financing pertains to loan facilities which were used in the construction of the Group's real estate development projects. The related PNs have terms ranging from twelve (12) to forty-eight (48) months and are secured by the buyer's post-dated checks, the corresponding CTS, and parcels of land held by the Parent Company. The Group retained the assigned ICRs and recorded the proceeds from these assignments as "Long-term debt". These CTS loans bear fixed interest rates ranging from 7.00% to 7.75% and 5.88% to 8.50% as March 31, 2024 and December 31, 2023, respectively (see Note 6).

Security and Debt Covenants
Certain bilateral, trust receipts, payables under CTS financing and bank loans have mortgaged real estate inventories and assigned ICRs and contract assets wherein such assets can no longer be allowed to be separately used as collateral for another credit facility, grant loans to directors, officers and partners, and act as guarantor or surety in favor of banks. As of March 31, 2024 and December 31, 2023, the carrying values of these assets mortgaged for trust receipts, payables under CTS financing and bank loans are as follows:

| | **March 31, 2024** | December 31, 2023 |
|---|---|---|
| Real estate inventories | **₱4,431,647,306** | ₱2,296,480,207 |
| ICR | **808,243,003** | 921,957,349 |
| Investment properties | **8,444,029,839** | 8,444,029,839 |

Certain bilateral loans have covenants to maintain a debt-to-equity ratio of not more than 2.33x and a debt service coverage ratio of at least 1.5x and current ratio of 1.2x. Debt includes note payables, short term and long-term debt. The bank loans have a covenant, specific to the projects it is financing, of having loan to security value of no more than 50% to 60%. Security value includes, among other things, valuation appraisal by independent appraisers and takes into account the sold and unsold sales and market value of the properties. The loan agreements require submission of the valuation of each mortgage properties on an annual basis or upon request of the facility agent. As of March 31, 2024 and December 31, 2023, the Company complied with the provisions of its debt covenants.

Borrowing Costs
Borrowing cost capitalized amounted to nil and ₱43.33 million for the three-month period ended March 31, 2023 and for the year ended December 31, 2023, respectively (see Notes 7 and 11).

Interest Expense and Other Finance Charges
Interest and other financing charges for the short-term and long-term debts for the three-month periods ended March 31, 2024 and 2023 totaled to ₱220.65 million and ₱183.01 million, respectively.

## 19. BONDS PAYABLE

This account consists of the following:

| | **March 31, 2024 (Unaudited)** | December 31, 2023 (Audited) |
|---|---|---|
| Principal | | |
| Balances at the beginning of year | **₱9,000,000,000** | ₱6,000,000,000 |
| Addition | **–** | 3,000,000,000 |
| Repayment | **(3,000,000,000)** | – |
| | **6,000,000,000** | 9,000,000,000 |
| Deferred financing cost: | **122,562,896** | 122,562,896 |
| Carrying value | **5,877,437,104** | 8,877,437,104 |
| Less: Current portion | **–** | 3,000,000,000 |
| Non-current portion | **₱5,877,437,104** | ₱5,877,437,104 |

On March 3, 2023, the Certificate of Permit to Offer Securities for Sale was approved by the Securities and Exchange Commission relative to the Parent Company's Second Tranche Offer of Fixed Rate Retail Bonds consisting of up to Two Billion Pesos (₱2,000,000,000) with an Over-subscription Option of up to One Billion Pesos (₱1,000,000,000), worth of Fixed Rate Bonds comprising of 6.5760% per annum three (3) year fixed rate bonds ("Series A Bonds"), 7.4054% per annum five (5) year fixed rate bonds ("Series B Bonds") and 7.6800% per annum seven (7) year fixed rate bonds ("Series C Bonds"), under its Six Billion Pesos (₱6,000,000,000) Debt Securities Program Shelf Registration. This bond was listed at the PDEx on March 17, 2023. The bonds are rated "AA+" by Credit Rating and Investor Services Philippines Inc. (CRISP). Total debt issue costs amounted to ₱82.11 million and were capitalized as debt issue costs to be amortized over the life of the bonds.

On February 11, 2022, the Securities and Exchange Commission approved the application of the Parent Company's Shelf Registration of Debt Securities in the aggregate amount of Six Billion Pesos (₱6,000,000,000) to be offered within a period of 3 years or such period as Securities and Exchange Commission may allow at an Issue Price of 100% of Face Value. The First Tranche of the Fixed Rate Retail Bonds is Two Billion Pesos (₱2,000,000,000) with an Oversubscription Option of up to One Billion Pesos (₱1,000,000,000) Five (5)-Year Fixed Retail Bonds due 2027.

On February 24, 2022, the Parent Company listed at the PDEx its five-year bonds, with interest rates of 5.7524%% p.a. The bonds are rated "AA" by Credit Rating and Investor Services Philippines Inc. (CRISP).

On March 1, 2021, the Parent Company listed at the PDEx a ₱3.00 billion unsecured fixed-rate peso denominated three-year retail bonds, with interest rates of 4.8467% p.a. In the first quarter of 2024, the said three-year bonds amounting to ₱3.00 billion were paid in full.

Interest Expense and Other Finance Charges

Interest and other financing charges from bonds payable for the three-month periods ended March 31, 2024 and 2023 totaled to ₱134.28 million and ₱79.49 million, respectively.

Security and Debt Covenants
Covenants related to bonds payable include maintenance of current ratio of at least 1.5x, debt-to-equity ratio of not more than 2.0x and debt service coverage ratio of at least 1.2x. As of March 31, 2024 and December 31, 2023, the Group has complied with the provisions of its bond covenants.

## 20. LIABILITY FROM PURCHASED LAND

This account pertains to the outstanding payable of the Group for the cost of land purchases recognized under "Real estate inventories" amounting to ₱39.44 million and ₱49.48 million, as of March 31, 2024 and December 31, 2023, respectively.

## 21. EQUITY

*Earnings per share*
Basic/diluted earnings per share amounts attributable to equity holders of the Parent Company for the three-month period ended March 31, 2024 and 2023 are as follows:

| | **March 31, 2024 (Unaudited)** | March 31, 2023 (Unaudited) |
|---|---|---|
| Net income attributable to the owners of the Parent Company | **₱409,531,416** | ₱174,015,304 |
| Dividends declared to preferred shares | – | 50,382,750 |
| | **409,531,416** | 123,632,554 |
| Weighted average number of shares | **11,599,600,690** | 11,599,600,690 |
| Basic/diluted earnings per share | **₱0.035** | ₱0.011 |

Basic earnings per share are calculated using the net income attributable to the equity holders of Parent Company less dividend declared to preferred shares divided by the weighted average number of shares. No dilutive potential ordinary shares are outstanding as of March 31, 2024 and 2023.

*Common shares*
The Group's authorized capital stock and issued and subscribed shares amounted to 15,000.00 million shares and 11,699.72 million shares, respectively as of March 31, 2023 and December 31, 2022. There are no movements in the Group's authorized, issued and subscribed shares in 2023 and 2022.

The following summarizes the Group's record of registration of securities under the Revised Securities Regulation Code:

On February 09, 2000, the Parent Company was listed with the Philippine Stock Exchange with a total of 3,554.72 million common shares, issued, paid and outstanding. The offering of the shares was at ₱1.00 per share.

On November 11, 2014, the Philippine Stock Exchange, Inc. approved the application of the Group to list additional 730.32 million common shares, with a par value of ₱0.53 per share, to cover the Group's 20.62% stock dividend declaration to stockholders of record as of October 27, 2014 which was paid on November 14, 2014.

On August 30, 2019, the Group's BOD authorized and approved the amendment of the stockholders' resolution dated September 29, 2017, specifically: (a) change in the par value of the proposed reclassified 3.00 billion Preferred Shares from ₱1.00 to ₱0.53 per share and (b) no increase in the authorized capital stock of the Parent Company, together with the consequent amendment of article nine of the amended articles of incorporation of the Parent Company. The amendment was approved by the SEC in January 2020.

As of March 31, 2024 and December 31, 2023, the Parent Company had 496 and 497 stockholders, respectively, with at least one board lot at the PSE, for a total of 11,599,600,690 (₱0.53 par value) issued and outstanding common shares.

*Preferred stock*
On February 22, 2024, the Group listed and traded on the Main Board of The Philippine Stock Exchange, Inc. it's 20,000,000 perpetual, cumulative, non-participating, non-voting, redeemable, non-convertible Series B Preferred Shares under the trading symbol CPGPB with an initial Dividend Rate of 7.5432% per annum at an Offer Price of Php100.00 per share. The preferred shares were offered to the public on February 6 to 13, 2024. The SEC approved the Group's application for the Primary Offer on January 5, 2024. The dividends on the preferred shares shall be paid quarterly, every May 22, August 22, November 22, and February 22 of each year.

The 20,000,000 preferred stock with a par value of ₱0.53 were fully subscribed totaling ₱10.60 million. Additional paid-in capital from preferred stock amounted ₱1,989.40 million and issuance cost totaled ₱48.19 million resulting in a net additional paid-in capital ₱1,941.21 million. Total cash received from issuance of preferred shares amounted to ₱1,951.81 million.

On January 10, 2020, the Parent Company listed at the main board of the PSE its maiden follow-on offering of preferred stock under the trading symbol "CPGP". These preferred stocks are cumulative, non-voting, non-participating and redeemable at the option of the Parent Company. The Parent Company offered 20 million preferred stocks at ₱100.00 each with an oversubscription option of up to 10 million preferred stocks on December 16, 2019 to January 3, 2020, after the SEC issued an order rendering the Registration Statement that was filed on October 19, 2019 effective and a corresponding permit to offer the securities for sale. The initial dividend rate was set at 6.7177% per annum. The dividends on the preferred stock shall be paid quarterly, every January 10, April 10, July 10, and October 10 of each year.

The 30,000,000 preferred stock with a par value of ₱0.53 were fully subscribed totaling ₱15.90 million. Additional paid-in capital from preferred stock amounted ₱2,984.10 million and issuance cost totaled ₱99.06 million resulting in a net additional paid-in capital ₱2,885.03 million. Total cash received from issuance of preferred shares amounted to ₱2,910.77 million.

On July 10, 2023, the Parent Company fully redeemed its ₱3,000 million Cumulative, Non-Voting, Non-Convertible, Non-Participating, Redeemable Peso-denominated Preferred Shares ("Preferred Shares" or "CPGP"). The redemption price was the issue price of P100.00 per share, plus any accumulated unpaid cash dividends. The redemption of shares is treated as treasury shares recorded at cost.

*Treasury shares*
On January 7, 2013, the BOD of the Parent Company approved a share buyback program for those shareholders who opt to divest of their shareholdings in the Parent Company. A total of

₱800.00 million worth of shares were up for buyback for a time period of up to 24 months. In 2014 and 2013, a total of 85.68 million shares and 14.44 million shares were reacquired at a total cost of ₱87.15 million and ₱22.52 million, respectively.

As of March 31, 2024 and December 31, 2023, treasury shares amounted to ₱3,109.67 million consisting of 100.12 million common shares and 30.00 million preferred shares.

*Retained earnings*
Retained earnings include the accumulated equity in undistributed net earnings of consolidated subsidiaries amounting to ₱10,401.78 million and ₱11,594.25 million as of March 31, 2024 and December 31, 2023, respectively.

*Cash dividend declaration*

The Board of Directors (BOD) of CPGI approved the following dividend declaration in 2024, 2023 and 2022.

| | Date of Declaration | Total Amount of Dividends | Dividends per share/ Dividend rate | Shares Record Date | Date of Payment |
|---|---|---|---|---|---|
| *Dividend for:* | | | | | |
| **Common Shares** | **June 29, 2023** | **₱70,237,954** | **₱0.006055** | **July 28, 2023** | **August 11, 2023** |
| **Common Shares** | **June 29, 2023** | **70,237,954** | **₱0.006055** | **September 29, 2023** | **October 13, 2023** |
| **Preferred Shares** | **March 8, 2023** | **50,382,750** | **6.7177%** | **July 5, 2023** | **July 10, 2023** |
| **Preferred Shares** | **March 8, 2023** | **50,382,750** | **6.7177%** | **April 3, 2023** | **April 11, 2023** |
| **2023** | | **₱241,241,408** | | | |
| Preferred Shares | December 6, 2022 | ₱50,382,750 | 6.7177% | January 5, 2023 | January 10, 2023 |
| Preferred Shares | August 11, 2022 | 50,382,750 | 6.7177% | October 5, 2022 | October 10, 2022 |
| Preferred Shares | May 26, 2022 | 50,382,750 | 6.7177% | July 6, 2022 | July 11, 2022 |
| Preferred Shares | February 4, 2022 | 50,382,750 | 6.7177% | April 6, 2022 | April 11, 2022 |
| **2022** | | **₱201,531,000** | | | |

*Non-controlling interest*
On May 31, 2023, the Board of Directors (BOD) of CPGI approved the acquisition of 1,060,000,000 common shares with a par value of ₱1.00 per common share from Mitsubishi Corporation (MC), representing the latter's 40% ownership interest in PPHI, and 265,000 Preferred B shares with a par value of ₱1,000 per share owned by MC in PPHI. The Philippine Competition Commission (PCC) has approved the above transaction on August 9, 2023, and on November 24, 2023, CPGI concluded the acquisition at a transaction price of ₱1.09 per common share and ₱1,085.28 per preferred share. The difference between the acquisition price of ₱1,438.00 million and the carrying value of NCI of ₱2,155.32 million as of October 30, 2023, amounting to ₱717.32 million, was recognized in the Group's equity reserve.

On May 31, 2023, the Board of Directors of the Century Limitless Corporation (CLC) also approved the acquisition of the 40% shareholdings of MC in the following subsidiaries:
a. 409,780 common shares with par value of ₱100.00 per share and 175,620 preferred shares with par value of ₱100.00 per share in TPI.
b. 140,000 common shares with par value of ₱100.00 per share of MC in TPII.
c. 120,000 common shares with par value of ₱100.00 per share of MC in TPIII.

The PCC has approved the above transaction on August 9, 2023 and on November 24, 2023, CLC completed the above acquisition for a total acquisition price of ₱141.00 million. The difference between the acquisition price and the carrying value of NCI of ₱135.03 million as of October 30, 2023, amounting to ₱5.97 million, was recognized in the Group's equity reserve.

As of March 31, 2024, the Group still holds the escrow account related to the share purchase agreement with MC amounting to ₱78.95 million which is equivalent 5% of the total transaction price.

On December 15, 2022, CALC recognized the equity portion of its deposit for preferred shares subscription. This resulted to increase in non-controlling interest amounting to ₱54.18 million.

*Non-controlling interest - dividends declared*

The BOD of CPGI subsidiaries approved the following dividend declarations to non-controlling interest.

| | Date of Declaration | Total Amount of Dividends | Dividends per share | Dividend declared to NCI | Date of Payment |
|---|---|---|---|---|---|
| *Declared by:* | | | | | |
| **TP1** | **May 30, 2023** | **₱78,000,000** | **₱177.66** | **₱31,200,000** | **May 31, 2023** |
| **TP2** | **May 30, 2023** | **24,000,000** | **68.57** | **9,600,000** | **May 31, 2023** |
| **TP3** | **May 30, 2023** | **160,500,000** | **535.00** | **64,200,000** | **May 31, 2023** |
| **PPHI** | **May 30, 2023** | **987,500,000** | **0.37** | **395,000,000** | **May 31, 2023** |
| **2023** | | **₱1,250,000,000** | | **₱500,000,000** | |

*Other components of equity*

Other components of equity mainly pertain to the equity reserve recognized between the consideration paid by MC and the carrying value of the net assets of TPI I, TPI II, TPI III and Century City Development Corp II (CCDC II) given up amounting to ₱104.49 million as of December 31, 2020. Net of the difference between the acquisition price paid by CPGI and the value of the non-controlling interest held by MC in CCDCII as of August 24, 2020, amounting to ₱782.24 million was charged against the Group's equity reserve.

In 2023, the Group acquired the total outstanding shares held by MC in its subsidiaries, TPI I, TPI II, TPI III and PPHI. The difference between the total acquisition price of ₱1,579.00 million and the carrying amount of NCI as of October 30, 2023 amounting to ₱2,290.35 million, which amounted to ₱711.35 million, was recognized in the Group's equity reserve.

It also includes the remeasurement loss on equity instruments at FVOCI amounting to ₱5.45 million as of March 31, 2024 and December 31, 2023, respectively, was also charge against the Group equity reserve.

*Capital management*

The primary objective of the Group's capital management is to ensure that it maintains a strong and healthy consolidated statement of financial position to support its current business operations and drive its expansion and growth in the future.

The Group undertakes to establish the appropriate capital structure for each business line, to allow it sufficient financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Group considers debt as a stable source of funding. The Group attempts to continually lengthen the maturity profile of its debt portfolio and makes it a goal to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. The Group is subject to externally imposed capital requirements from its bank loans which it has complied with as of March 31, 2024 and December 31, 2023.

Equity, which the Group considers as capital, pertains to the equity attributable to equity holders of the Parent Company excluding other components of equity and remeasurement loss on defined benefit plan, amounting to a total of ₱20,985.44 million and ₱20,226.11 million as of March 31, 2024 and December 31, 2022, respectively.

No changes were made in the objectives, policies or processes for managing capital in March 31, 2024 and December 31, 2023.

## 22. GENERAL, ADMINISTRATIVE AND SELLING EXPENSES

This account consists of:

| | **March 31, 2024 (Unaudited)** | March 31, 2023 (Unaudited) |
|---|---|---|
| Commission | **₱208,346,354** | ₱199,884,741 |
| Salaries, wages and employee benefits | **182,451,450** | 241,501,916 |
| Marketing and promotions | **169,319,254** | 146,761,624 |
| Taxes and licenses | **115,230,849** | 75,431,159 |
| Entertainment, amusement and recreation | **32,377,879** | 26,501,779 |
| Outside services | **23,191,791** | 59,982,295 |
| Supplies | **21,347,026** | 5,805,107 |
| Depreciation and amortization | **18,597,474** | 24,511,755 |
| Professional fees | **16,415,191** | 19,115,850 |
| Repairs and maintenance | **6,422,718** | 4,943,608 |
| Transportation and travel | **5,328,678** | 5,339,433 |
| Utilities | **4,820,735** | 9,846,814 |
| Rent | **3,050,306** | 5,030,562 |
| Communication | **2,663,819** | 4,682,964 |
| Miscellaneous | **41,710,560** | 55,740,477 |
| | **₱851,274,084** | ₱885,080,084 |

Miscellaneous pertains mainly to research development, sponsorships, recruitment fess, software maintenance and insurance

## 23. INTEREST AND OTHER INCOME

This account consists of:

| | **March 31, 2024 (Unaudited)** | March 31, 2023 (Unaudited) |
|---|---|---|
| Income from forfeited collections | **₱23,774,088** | ₱15,951,123 |
| Interest income from cash and cash equivalents and short-term investments (Note 4) | **22,940,437** | 19,343,620 |
| Interest income from in-house financing | **31,742,326** | 23,233,999 |
| Other income | **65,613,264** | 46,247,068 |
| | **₱144,070,115** | ₱104,775,810 |

Income from forfeited collections pertains to forfeited collections from reservation fees whose allowable period of completion has prescribed and terminated sales contracts.

Other income mainly consists of the penalties and other surcharges billed against defaulted installments from sales contracts. Real estate buyers are normally charged a penalty of 3.00% of the monthly installment for every month in arrears from the time the specific installment becomes due and payable.

## 24. PENSION COST

The Group has a funded, noncontributory, defined benefit pension plan covering substantially all of its regular employees. The benefits are based on the projected retirement benefit of 22.5 days' pay per year of service in accordance with Republic Act 7641. The benefits are based on current salaries and years of service and compensation on the last year of employment. An independent actuary conducts an actuarial valuation of the retirement benefit obligation using the projected unit credit method.

The plan assets as of March 31, 2024 and December 31, 2023 pertain solely to bank deposits. The Group does not expect to contribute to its retirement fund in 2024.

Outstanding pension liabilities amounted ₱294.41 million and ₱290.15 million as of March 31, 2024 and December 31, 2023, respectively.

## 25. INCOME TAXES

The provision for income tax consists of:

| | **March 31, 2024 (Unaudited)** | March 31, 2023 (Unaudited) |
|---|---|---|
| Current | **₱149,380,884** | ₱107,677,668 |
| Deferred | **(43,559,352)** | (9,903,691) |
| | **₱105,821,532** | ₱97,773,977 |

Income tax includes regular corporate income tax (RCIT) at the rate of 25% in 2024 and 2023, minimum corporate income tax (MCIT) is at the rate of 2% in 2024 and 1.5% in 2023, and final taxes

paid is at the rate of 20%, which is a final withholding tax on gross interest income from debt instruments and other deposit substitutes.

The deferred tax assets and liabilities are presented in the consolidated statements of financial position as follows:

| | **March 31, 2024 (Unaudited)** | December 31, 2023 (Audited) |
|---|---|---|
| Deferred tax assets – net | **₱56,600,082** | ₱48,357,179 |
| Deferred tax liabilities – net | **2,134,648,477** | 2,458,740,459 |

## 26. LEASE CONTRACTS

*Group as lessee*
The Group has lease contracts for various office spaces with lease terms of two (2) to three (3) years. Rental due is based on the agreed fixed monthly rent, subject to escalation. As of March 31, 2024 and December 31, 2023, the Group has lease liability amounting to ₱34.21 million and ₱34.21 million, respectively.

*Group as lessor*
The Group is a lessor of its commercial units in its retail mall, hospital, office and commercial spaces. The leases have terms ranging from one (1) year to (10) years, with renewal options. Monthly rent payment is computed using a fixed rate per square meter and variable rent based on percentage of sales of the tenants for the year. Leasing revenue recognized amounted to ₱291.19 million and ₱312.43 million for the three-month period ended March 31, 2024, and 2023, respectively.

## 27. OTHER NON-CURRENT LIABILITIES

Deposits for Preferred Shares Subscription
The Group's deposit for preferred shares subscription pertains to deposits received by the Group from buyers of its preferred shares. On June 17, 2015, the Group's preferred shares divided into Class A, Class B, Class C and Class D have been registered with SEC for public offering.

Movements of issuances and cancellation of shares per Preferred Class are summarized in the table below.

| | Number of Shares | | | | |
|---|---|---|---|---|---|
| Class of shares | Preferred A shares | Preferred B shares | Preferred C shares | Preferred D shares | Total |
| Authorized shares | 6,344 | 520 | 520 | 520 | 7,904 |
| Par value in ₱ | 10 | 100 | 1,000 | 10,000 | 11,110 |
| Subscribes shares at December 31, 2021 | 5,629 | 429 | 481 | 143 | 6,682 |
| Subscription during 2022 | – | – | – | – | – |
| Cancellation of shares | (169) | (39) | (39) | – | (247) |
| Number of shares at December 31, 2022 | 5,460 | 390 | 442 | 143 | 6,435 |
| Subscription during 2023 | – | – | – | – | – |
| Cancellation of shares | (13) | – | – | – | (13) |
| Number of shares at December 31, 2023 | 5,447 | 390 | 442 | 143 | 6,422 |
| Subscription during 2024 | – | – | – | – | – |
| Cancellation of shares | – | – | – | – | – |
| Number of shares at March 31, 2024 | 5,447 | 390 | 442 | 143 | 6,422 |

The preferred shares have the following features, rights, privileges and obligations which can be availed by the preferred shareholders upon full payment:

a. All classes of the preferred shares are non-voting.
b. Preferred shareholders are entitled to use and occupy, for twenty-eight (28) nights per year (the "Annual Usage Entitlement"), the rooms to be owned by the Group in the planned Acqua 6 Tower of the Acqua Private Residences (upon its completion and only when such rooms are ready for occupancy), with the room class based on the class of preferred shares owned. Annual Usage Entitlements are non-cumulative.

   The corresponding room class of each class of shares are as follows:

| Class of Preferred Shares | Corresponding Room Class |
|---|---|
| Preferred A shares | Studio Room |
| Preferred B shares | One Bedroom Deluxe Room |
| Preferred C shares | One Bedroom Superior Room |
| Preferred D shares | One Bedroom Premier Room |

c. The preferred shareholders shall be entitled to a share in Net Room Rental Revenue at the rate of 40% for all of the 152 rooms to be owned by the Group. The share of a preferred shareholder in the Net Room Rental Revenue shall be payable annually. The share of a preferred shareholder in the Net Room Rental Revenue shall be calculated based on the attributable square meters ("SQM") corresponding to the class of preferred shares held by such preferred shareholder for every 13 preferred shares held.

d. Net Room Rental Revenue means total revenue from rentals of all rooms less total room cost of sales. The corresponding attributable SQM of each class of shares are as follows:

| Class of Preferred Shares | Corresponding Attributable SQM |
|---|---|
| Preferred A shares | 8.00 |
| Preferred B shares | 11.75 |
| Preferred C shares | 19.00 |
| Preferred D shares | 21.75 |

e. The preferred shareholders shall no longer participate in any dividend declaration of the Group.

The preferred shareholders shall regularly and diligently pay the fees, contributions, charges and other dues, including but not limited to the Annual Management Fee, Annual Operating Budget, Furniture, Fittings and Equipment Reserve, pertaining to the maintenance and use of the rooms to be owned by the Group.

Upon full payment and availability of the rooms and when the rights and benefits vest upon completion of the Project, these deposits will be reclassified to preferred shares and will be split between the equity and liability components. As of March 31, 2024 and December 31, 2023, 5013 shares and 5013 shares have been fully paid, respectively.

Total liabilities for preferred shares subscriptions received presented under financial statement caption "Other noncurrent liabilities" amounted to to ₱948.32 million and ₱948.32 million as of March 31, 2024 and December 31, 2023, respectively.

Advance Deposits and Refundable Deposits
Refundable deposits pertain to utilities and meter deposits, and security deposits collected from tenants which are refundable at the end of the lease contracts. The Group received refundable deposits and security deposits classified as "Other current liabilities" amounting to ₱59.35 million and ₱59.85 million and "Other noncurrent liabilities" amounting to ₱638.12 million and ₱645.44 million as of March 31, 2024 and December 31, 2023, respectively .

Deferred Lease Income
Deferred lease income is amortized over the lease term on a straight-line basis and which amortization is recorded as part of "Leasing revenue" in the statements of comprehensive income. The carrying value of the deferred lease income presented under financial statement caption "Other current liabilities" amounted to ₱14.34 million and ₱14.00 million and "Other noncurrent liabilities" amounted to ₱31.55 million and ₱98.02 million as of March 31, 2024 and December 31, 2023, respectively .

## 28. FINANCIAL INSTRUMENTS

| | **March 31, 2024** | | December 31, 2023 | |
|---|---|---|---|---|
| | **Carrying Value** | **Fair value** | Carrying Value | Fair value |
| Financial assets | | | | |
| ICR | **₱9,240,519,948** | **₱9,300,259,817** | ₱10,513,080,456 | ₱10,864,280,557 |
| Rental deposits | **94,884,775** | **95,498,204** | 94,247,911 | 95,479,912 |
| | **₱9,335,404,723** | **₱9,395,758,021** | ₱10,607,328,367 | ₱10,959,760,469 |
| **Other financial liabilities** | | | | |
| Long-term debt | **₱9,832,804,788** | **₱9,863,621,608** | ₱10,352,233,632 | ₱10,742,816,902 |
| Bonds payable | **5,877,437,104** | **6,000,000,000** | 8,877,437,104 | 9,000,000,000 |
| Liability from purchased land | **39,440,138** | **39,695,118** | 49,484,077 | 52,564,486 |
| Refundable deposits | **697,510,429** | **697,859,184** | 679,930,221 | 679,753,641 |
| **Total financial liabilities** | **₱16,447,192,459** | **₱16,601,175,910** | ₱19,959,085,034 | ₱20,475,135,029 |

Fair Value of Financial Instruments
The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

*Financial assets*
*Cash and cash equivalents, receivables (excluding ICRs), due from related parties, marginal deposit accounts and other payables, due to related parties and short-term debt*

Carrying amounts approximate fair values due to the short-term maturities of these instruments.

*ICRs*
Fair value is based on undiscounted value of future cash flows using the prevailing interest rates for similar types of receivables as of the reporting date using the remaining terms of maturity. Discount rates ranging from 8.12% to 9.23% were used in calculating the fair value as of March 31, 2024 and December 31, 2023.

*Rental deposits and investment in bonds*
The fair values of rental deposits and investment in bonds are based on the discounted value of future cash flows using the applicable market interest rates. Discount rates ranging from 5.21% to 6.24% were used in calculating the fair value of the Group's rental deposits as of March 31, 2024 and December 31, 2023, respectively.

*Long-term debt, bonds payable, liability from purchased land, refundable deposits*
The fair values are estimated using the discounted cash flow method using the Group's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used for long-term debt ranged from 1.79% to 2.82% and 1.55% to 2.82% as of March 31, 2024 and December 31, 2023, respectively. The discount rates used for the bonds payable ranged from 5.05% to 6.09% and 4.05% to 4.83% as of March 31, 2024 and December 31, 2023, respectively. The discount rates used for the liability from purchased land ranged from 1.79% to 2.82% and 1.55% to 2.67% as of March 31, 2024 and December 31, 2023, respectively.

The discount rates used for refundable deposits ranged from 5.05% to 6.09% and 4.25% to 5.01% as of March 31, 2024 and December 31, 2023, respectively.

The Group has no financial instruments measured under Level 3 of fair value hierarchy. For the three-month period ended March 31, 2024 and for the year ended December 31, 2023, the Group did not have transfers between Level 1 and 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

Financial Risk Management Policies and Objectives
The Group has various financial assets and liabilities such as cash and cash equivalents, receivables, due to and from related parties, and accounts payable and other liabilities, which arise directly from its operations. The Group has bonds payable, short-term and long-term debt availed for financing purposes.

Exposure to credit, interest rate and liquidity risks arise in the normal course of the Group's business activities.

The main objectives of the Group's financial risk management are as follows:
- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The Group's BOD reviews and approves the policies for managing each of these risks and they are summarized below:

*Credit Risk*
Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation.

The Group trades only with recognized, creditworthy third parties. The Group's receivables are monitored on an ongoing basis to manage exposure to bad debts and to ensure timely execution of necessary intervention efforts. Real estate buyers are subject to standard credit check procedures, which are calibrated based on payment scheme offered. The Group assessed that its customers portfolio is homogeneous. The Group's respective credit management units conduct a comprehensive credit investigation and evaluation of each buyer to establish creditworthiness.

In addition, the credit risk for ICRs is mitigated as the Group has the right to cancel the sales contract without need for any court action and take possession of the subject house in case of refusal by the buyer to pay on time the due installment contracts receivable. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price. With respect to credit risk arising from the other financial assets of the Group, exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group transacts only with institutions or banks which have demonstrated financial soundness for the past 5 years.
The credit quality of the financial assets was determined as follows:

Cash and cash equivalents and rental deposits – these are considered as high-grade financial assets as these are entered into with reputable counterparties.

Receivables – these are considered as high grade since there are no default in payments.

Due from related parties – these are considered as standard grade as these are settled on time or are slightly delayed due to unresolved concerns.

*Liquidity risk*
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or the counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and advances from related parties. It matches its projected cash flows to the projected amortization of long-term borrowings. For its short-term funding, the Group's policy is to ensure that there are sufficient operating inflows to match repayments of short-term debt.

The following table shows the maturity profile of the Group's financial assets used for liquidity purposes and liabilities based on contractual undiscounted payments:

| | March 31, 2024 | | |
|---|---|---|---|
| | **Within 1 Year** | **1 - 5 years** | **Total** |
| **Financial assets** | | | |
| Cash and cash equivalents | **₱4,221,101,676** | **₱–** | **₱4,221,101,676** |
| Short-term investments | **18,258,017** | **–** | **18,258,017** |
| Receivables* | **9,286,759,975** | **1,062,900,379** | **10,349,660,354** |
| Due from related parties | **1,700,855,182** | **–** | **1,700,855,182** |
| Rental Deposits | **–** | **94,884,775** | **94,884,775** |
| | **₱15,226,974,850** | **₱1,157,785,154** | **₱16,384,760,004** |

| | March 31, 2024 | | |
|---|---|---|---|
| | **Within 1 Year** | **1 - 5 years** | **Total** |
| Financial liabilities | **₱4,128,341,111** | **₱–** | **₱4,128,341,111** |
| Accounts and other payables** | | | |
| Due to related parties | **384,097,093** | **–** | **384,097,093** |
| Short-term debt | **1,694,250,000** | **–** | **1,694,250,000** |
| Liability from purchased land | **39,440,138** | **–** | **39,440,138** |
| Long-term debt: | | | |
| Principal | **3,515,144,238** | **6,317,660,550** | **9,832,804,788** |
| Interest | **–** | **61,820,767** | **61,820,767** |
| Bonds payable: | | | |
| Principal | **–** | **6,000,000,000** | **6,000,000,000** |
| Interest | **–** | **122,562,896** | **122,562,896** |
| Lease liability | **17,374,824** | **16,834,482** | **34,209,306** |
| Security deposits | **59,395,307** | **638,115,122** | **697,510,429** |
| | **₱9,838,042,711** | **₱13,156,993,817** | **₱22,995,036,528** |

* *Excluding receivables from employees amounting to ₱487.53 million as of March 31, 2024.*
** *Excluding customers' advances and statutory liabilities amounting to ₱2,908.33 million and ₱125.59 million, respectively, as of March 31, 2024.*

| | December 31, 2023 | | |
|---|---|---|---|
| | Within 1 Year | More than 1 year | Total |
| Financial assets | | | |
| Cash and cash equivalents | ₱ 3,543,351,959 | ₱– | ₱ 3,543,351,959 |
| Short-term deposits | 18,258,017 | – | 18,258,017 |
| Receivables* | 10,281,047,604 | 1,268,850,078 | 11,549,897,682 |
| Due from related parties | 1,566,243,753 | – | 1,566,243,753 |
| Rental deposits | – | 94,247,911 | 94,247,911 |
| | ₱15,408,901,333 | ₱1,363,097,989 | ₱16,771,999,322 |
| Financial liabilities | | | |
| Accounts and other payables** | ₱3,596,326,143 | ₱– | ₱3,596,326,143 |
| Due to related parties | 384,097,093 | – | 384,097,093 |
| Short-term debt | 791,664,471 | – | 791,664,471 |
| Liability from purchased land | 49,484,077 | – | 49,484,077 |
| Long-term debt: | | | |
| Principal | 3,851,897,104 | 6,562,157,296 | 10,414,054,400 |
| Interest | – | 61,820,767 | 61,820,767 |
| Bonds payable: | | | |
| Principal | 3,000,000,000 | 6,000,000,000 | 9,000,000,000 |
| Interest | – | 122,562,896 | 122,562,896 |
| Lease liabilities | 17,374,824 | 16,834,482 | 34,209,306 |
| Security deposits | 59,850,397 | 645,436,816 | 705,287,213 |
| | ₱11,750,694,109 | ₱13,408,812,257 | ₱25,159,506,366 |

* *Excluding other receivables from employees amounting to ₱365.13 million as of December 31, 2023.*
** *Excluding customers' advances and statutory liabilities amounting to ₱2,372.29 million and ₱255.73 million, respectively, as of December 31, 2023.*

*Foreign currency risk*
Financial assets and credit facilities of the Group, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso.

Interest rate risk is the risk that changes in the market interest rates will reduce the Group's current or future earnings and/or economic value. The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rates or rates subject to repricing as it can cause a change in the amount of interest payments.

There is no other impact on the Group's total comprehensive income other than those already affecting the net income.

## 29. CONTINGENCIES

The Group is contingently liable for lawsuits or claims filed by third parties (substantially civil cases that are either pending decision by the courts or are under negotiation, the outcomes of which are not presently determinable). In the opinion of management and its legal counsels, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of these lawsuits, claims or assessments. No provisions were made for the period-ended March 31, 2024 and December 31, 2023 with respect to the foregoing matters.

## 30. NOTES TO CASH FLOWS

Below are the noncash transactions for the period ended March 31, 2023 and March 31, 2022.

a. Accretion of unamortized discount for noninterest-bearing contracts receivable amounting to ₱37.87 million and ₱20.77 million for the three-month periods ended March 31, 2024 and 2023, respectively (see Note 7).

b. Impact of adoption of Certain Provisions of PIC Q&A 2018-12, PFRS 15 *Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)* in installment contract receivables amounting to ₱776.64 million for the three-month periods ended March 31, 2024 (see Note 2).

c. Impact of adoption of IFRIC *Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)* in Real estate inventories amounting to ₱1,225.86 million for the three-month periods ended March 31, 2024 (see Note 2).

d. Borrowing costs capitalized in real estate inventories amounting to ₱43.33 million for the three-month periods ended March 31, 2023 (see Note 8).

**EXHIBIT 1**

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

***Results of Operations and Material Changes to the Company's Income Statement for the three-month period ended March 31, 2024 compared to March 30, 2023***
***(In Millions of Peso)***

| | | | Movement | |
|---|---|---|---|---|
| | **2024** | 2023 | **Amount** | **%** |
| **REVENUE** | | | | |
| Real estate revenue | **₱3,128.16** | ₱2,886.11 | **242.05** | **8.39%** |
| Leasing revenue | **291.19** | 312.43 | **(21.24)** | **-6.80%** |
| Property management fee, hotel and other services | **121.69** | 118.23 | **3.47** | **2.93%** |
| Interest income from real estate sales | **37.87** | 20.78 | **17.09** | **82.30%** |
| | **3,578.91** | 3,337.54 | **241.37** | **7.23%** |
| **COST AND EXPENSES** | | | | |
| Cost of real estate revenue | **1,809.79** | 1,702.15 | **107.64** | **6.32%** |
| Cost of leasing | **108.83** | 109.83 | **(1.00)** | **-0.91%** |
| Cost of services | **82.79** | 71.61 | **11.18** | **15.62%** |
| | **2,001.41** | 1,883.59 | **117.82** | **6.26%** |
| **GROSS PROFIT** | **1,577.50** | 1,453.94 | **123.55** | **8.50%** |
| **GENERAL, ADMINISTRATIVE AND SELLING EXPENSES** | **851.27** | 885.08 | **(33.81)** | **-3.82%** |
| **OTHER INCOME (EXPENSES)** | | | | |
| Interest and other income | **144.06** | 104.78 | **39.29** | **37.50%** |
| Interest and other financing charges | **(354.94)** | (273.48) | **(81.46)** | **29.79%** |
| | **(210.88)** | (168.70) | **(42.17)** | **25.00%** |
| **INCOME BEFORE INCOME TAX** | **515.35** | 400.16 | **115.19** | **28.78%** |
| **PROVISION FOR INCOME TAX** | **105.82** | 97.77 | **8.05** | **8.23%** |
| **NET INCOME** | **₱409.53** | ₱302.39 | **₱107.14** | **35.43%** |

**Revenues**
The Group's total revenue increase by 7.23% due to the following:

***8.39% Increase in Real Estate Revenue***
The increase is due to higher sales take up, collections and on-schedule construction activities substantially from first home market segment projects during the period.

***82.30% Increase in Interest Income from Real Estate Sales***
The increase is due to accretion of interest from new projects. Interest income from real estate sales represents interest accretion from installment contract receivables (ICR) and contract assets recognized during the period. Discount subject to accretion arises from the difference between present value of ICR and contract asset and its nominal value. Income increased due to the accretion of interest for the new project.

***6.80% decrease in Leasing Revenue***
The decrease was mainly due to the slightly elevated vacancy rate and lower lease rate during the period.

***2.93% Increase in Property Management, Hotel, and Other Services***
The increase comes from higher contribution from property management business and hotel operations compared with prior period.

**Cost and Expenses**
The Group's cost and expense increased by 6.26% due to the following:

- 6.32% increase in cost of sales directly attributable to the inrease of real estate revenue.
- 0.91% decrease in cost of leasing directly attributable to lower leasing revenue.
- 15.62% increase in cost of services directly attributable to the cost of hotel operations and higher property management fee and other services.

**3.82% Decrease in General, Administrative and Selling Expense**
The decrease is mainly due to continuing review and rationalization of operating expenses.

**37.50% Increase in Other Income and Expense**
The increase is mainly attributable to interest income from temporary placements in short-term fixed income instruments excess cash of the group and interest income from in-house financing.

***29.79% Increase in Interest and Other Financing Charges***
The increase is due to higher blended borrowing rate of the group compared with same period last year.

**8.23% increase in Provision for Income Tax**
The increase was primarily due to higher taxable income during the period.

**As a result of the foregoing, net income increased by 35.43%.**

***Financial Condition and Material Changes to the Company's Statement of Financial Position for the period-ended March 31, 2024, compared to December 31, 2023***
***(In Millions of Peso)***

| | March 31, 2024 | December 31, 2023 | Movement Amount | % |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and cash equivalents | **₱4,221.10** | ₱3,543.35 | ₱677.75 | 19.13% |
| Short-term investments | **18.26** | 18.26 | - | 0.00% |
| Receivables | **9,774.29** | 10,646.18 | (871.89) | -8.19% |
| Real estate inventories | **17,571.46** | 18,832.24 | (1,260.78) | -6.69% |
| Due from related parties | **1,700.85** | 1,566.24 | 134.61 | 8.59% |
| Advances to suppliers and contractors | **1,684.94** | 1,661.85 | 23.09 | 1.39% |
| Other current assets | **2,010.68** | 1,679.89 | 330.79 | 19.69% |
| **Total Current Assets** | **36,981.58** | **37,948.01** | **(966.43)** | **-2.55%** |
| | | | | |
| Noncurrent portion of installment contract receivables | **1,062.90** | 1,268.85 | (205.95) | -16.23% |
| Deposits for purchased land | **1,116.79** | 1,116.79 | - | 0.00% |
| Investments in and advances to joint ventures and associate | **277.32** | 277.32 | - | 0.00% |
| Investment properties | **12,422.73** | 12,421.91 | 0.82 | 0.01% |
| Property and equipment | **1,392.50** | 1,372.76 | 19.74 | 1.44% |
| Deferred tax assets – net | **56.60** | 48.36 | 8.24 | 17.05% |
| Other noncurrent assets | **851.29** | 931.42 | (80.13) | -8.60% |
| **Total Noncurrent Assets** | **17,180.13** | **17,437.41** | **(257.28)** | -1.48% |
| **TOTAL ASSETS** | **54,161.71** | **55,385.42** | **(1223.70)** | -2.21% |
| | | | | |
| **LIABILITIES** | | | | |
| Accounts and other payables | **7,162.26** | 6,219.58 | 942.69 | 15.16% |
| Contract liabilities | **3,809.47** | 3,873.08 | (63.61) | -1.64% |
| Short-term debt | **1,694.25** | 791.66 | 902.59 | 114.01% |
| Current portion of: | | | | |
| Long-term debt | **3,526.41** | 3,851.90 | (325.49) | -8.45% |
| Bonds Payable | **-** | 3,000.00 | (3,000.00) | -100.00% |
| Liability from purchased land | **39.44** | 49.48 | (10.04) | -20.30% |
| Lease Liability | **17.37** | 17.37 | - | 0.00% |
| Due to related parties | **384.10** | 384.10 | - | 0.00% |
| Income Tax Payable | **132.04** | 50.58 | 81.46 | 161.05% |
| Other current liabilities | **73.74** | 73.85 | (0.11) | -0.16% |
| **Total Current Liabilities** | **16,839.08** | **18,311.60** | **(1,641.27)** | **-8.96%** |
| | | | | |
| Noncurrent portion of: | | | | |
| Long-term debt | **6,317.66** | 6,500.34 | (182.68) | -0.28% |
| Bonds Payable | **5,877.44** | 5,877.44 | - | 0.00% |
| Lease Liability | **16.83** | 16.83 | - | 0.00% |
| Pension liabilities | **294.41** | 290.15 | 4.26 | 1.47% |
| Deferred tax liabilities | **2,134.65** | 2,458.74 | (324.09) | -13.18% |
| Other noncurrent liabilities | **1,617.98** | 1,625.98 | (8.00) | -0.49% |
| **Total Noncurrent Liabilities** | **16,258.97** | **16,769.48** | **(341.76)** | **-2.04%** |
| **Total Liabilities** | **33,098.04** | **35,081.08** | **(1,983.03)** | **-5.65%** |
| | | | | |
| **EQUITY** | | | | |
| Capital stock | **6,200.85** | 6,200.85 | - | 0.00% |
| Preferred shares | **26.50** | 15.90 | 10.60 | 66.67% |
| Additional paid-in capital | **7,465.99** | 5,524.78 | 1,941.21 | 35.14% |
| Treasury shares | **(3,109.67)** | (3,109.67) | - | 0.00% |
| Other components of equity | **28.16** | 28.16 | - | 0.00% |
| Retained earnings | **10,401.78** | 11,594.25 | (1,192.48) | -10.29% |
| Remeasurement loss on defined benefit plan | **(4.11)** | (4.11) | - | 0.00% |
| Total Equity Attributable to Equity Holders of the Parent Company | **21,009.49** | 20,250.16 | 759.33 | 3.75% |
| Non-controlling interest | **54.18** | 54.18 | - | 0.00% |
| | **21,063.67** | 20,304.34 | 759.33 | 3.74% |
| | **₱54,161.71** | ₱55,385.42 | (₱1,223.70) | -2.21% |

**Assets**
The Group's total assets decreased by 2.21% due to the following:

- Cash and cash equivalents and short-term investments increase by 19.13% as a result of higher cash flow provided by operating activities during the period.

- Receivables including non-current portion decreased by 9.05% primarily due to collections from installment contract receivables and the impact of adoption of PIC Q&A 2018-12, PFRS 15 *Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04).*

- Real estate inventories decrease by 6.69% due to recognition of cost sales for sold units and the impact of the adoption of *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)* in which borrowing cost capitalized is removed from real estate inventories.

- Increase from due from related parties by 8.59% due to additional advances from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

- 9.60% increase in total other current and non-current assets primarily due to an increase in prepaid selling expenses for pre-sales during the period and increase in input taxes.

**Liabilities**
The Group's total liabilities decreased by 5.65% due to the following:

- Accounts and other payables increased by 15.16% primarily due to accruals made at the end of the period and increase in inventory related purchases.

- Total short-term and long-term debt increased by 3.54% due to net availment of loans during the period.

- In March 2024, the Group redeemed its ₱3,000 million unsecured fixed rate peso retails which resulted in a 33.79% decrease in bonds payable.

- 20.30% decrease in liability in purchase land due to payments made during the period.

- Income tax payable increased by 161.05% due to higher income during the period.

- Deferred tax liability decreased by 13.18% due to the tax impact of the adoption of new accounting standards.

**Equity**
The Group's 3.74% increase in total stockholders' equity is mostly due to issuance of ₱2,000 million preferred shares and net income during the period amounting to ₱410 million. This is offset by ₱48 million preferred shares issuance cost and impact of adoption of adoption of Certain Provisions of PIC Q&A 2018-12, PFRS 15 *Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)* and *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)* amounting to ₱1,600 million.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material commitments for capital expenditures.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations apart from the impact of ongoing Covid-19 pandemic.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.
The top five (5) key performance indicators of the Company are shown below:

| Financial Indicators | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| Current Ratios (a) | 2.2x | 2.8x |
| Debt to Equity (b) | 0.8x | 0.8x |
| Debt to EBITDA (c) | 5.0x | 7.2x |
| Return on Assets (d) | 3.0% | 2.2% |
| Return on Equity (e) | 7.9% | 5.1% |

*Notes:*

1) *Current ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.*
2) *Debt to Equity ratio computed by dividing total interest-bearing debt (includes short-term and long-term debts and bonds payable) by total equity.*
3) *Debt to EBITDA is calculated by dividing EBITDA for the period by total interest-bearing debt.*
4) *Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two).*
5) *Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two).*

Current ratio decreased mainly due to decrease in inventories and contract receivables due to the impact of adoption of new standards.

Debt to equity is maintained at 0.8x with decrease in interest bearing liabilities and increase in equity.

Debt to EBITDA decreased primarily due to the increase in annualized EBITDA as of March 31, 2024 compared to the same period as of March 31, 2023.

Return on Equity and Return on Assets increase due to higher annualized net income recognized during the period ended March 31, 2024 compared to the same period ended March 31, 2023.

## Key Performance Indicators

### Selected Financial Indicators
### March 31, 2024 and March 30, 2023

| Financial ratios | March 31, 2024 (Unaudited) | March 31, 2023 (Unaudited) |
|---|---|---|
| **Current/Liquidity Ratios** | | |
| Current Assets | 36,981,582,452 | 38,756,093,642 |
| Current Liabilities | 16,839,070,996 | 13,862,494,990 |
| **Current Ratios** | **2.2** | **2.8** |
| Current Assets | 36,981,582,452 | 38,756,093,642 |
| Inventory | 17,571,458,845 | 17,256,080,853 |
| Quick Assets | 19,410,123,607 | 21,500,012,789 |
| Current Liabilities | 16,839,070,996 | 13,862,494,990 |
| **Quick Ratios** | **1.2** | **1.6** |
| **Liabilities and Debt Ratios** | | |
| Short-term debt | 1,694,250,000 | 181,631,190 |
| Long-term debt - Current | 3,526,407,283 | 2,004,040,274 |
| Long-term debt - non-current | 6,317,660,550 | 8,286,231,204 |
| Bonds payable | 5,877,437,104 | 8,873,878,381 |
| **Debt** | **17,415,754,937** | **19,345,781,049** |
| **Equity** | **21,063,671,781** | **24,044,548,533** |
| **Debt-to-Equity** | **0.8** | **0.8** |
| Debt | 17,415,754,937 | 19,345,781,049 |
| Cash and Cash Equivalents | 4,221,101,676 | 6,797,409,024 |
| **Net Debt** | **13,194,653,261** | **12,548,372,025** |
| **Equity** | **21,063,671,781** | **24,044,548,533** |
| **Net Debt-to-Equity** | **0.6** | **0.5** |
| Debt | 17,415,754,937 | 19,345,781,049 |
| EBITDA (annualized for interim) | 3,458,295,276 | 2,671,995,316 |
| **Debt-to-EBITDA** | **5.0** | **7.2** |
| Income before Income Tax | 515,352,949 | 400,163,384 |
| Interest expense | 330,623,396 | 243,323,690 |
| Depreciation and amortization | 18,597,474 | 24,511,755 |
| **EBITDA** | **864,573,819** | **667,998,829** |
| EBIT | 845,976,345 | 643,487,074 |
| Interest expense | 330,623,396 | 243,323,690 |
| **Interest Coverage Ratio** | **2.6** | **2.6** |
| **Asset to Equity Ratios** | | |
| Total Assets | 54,161,712,455 | 56,667,589,851 |
| Total Equity | 21,063,671,781 | 24,044,548,533 |
| **Asset to Equity Ratio** | **2.6** | **2.4** |
| **Liabilities to Equity Ratios** | | |
| Total Liabilities | 33,098,040,656 | 32,623,041,318 |
| Total Equity | 21,063,671,781 | 24,044,548,533 |
| **Liabilities to Equity Ratio** | **1.6** | **1.4** |

| Financial ratios | March 31, 2024 (Unaudited) | March 31, 2023 (Unaudited) |
|---|---|---|
| **Profitability ratios** | | |
| Revenue | 3,578,909,003 | 3,337,537,824 |
| Gross Profit | 1,577,493,227 | 1,453,944,668 |
| **Gross Profit Ratio** | **44%** | **44%** |
| Net Income Attributable to Equity holders of the Parent Company | 409,531,406 | 174,015,296 |
| Revenue | 3,578,909,003 | 3,337,537,824 |
| **Net Income Margin** | **11.4%** | **5.2%** |
| **Total Net Income after tax (annualized)** | **1,638,125,652** | **1,209,557,628** |
| Total Asset CY | 54,161,712,455 | 56,667,589,851 |
| Total Asset PY | 55,385,411,059 | 53,931,100,448 |
| **Average total asset** | **54,773,561,757** | **55,299,345,150** |
| **Return on Asset** | **3.0%** | **2.2%** |
| **Total Net Income after tax** | **1,638,125,652** | **1,209,557,628** |
| Total Equity CY | 21,063,671,781 | 24,044,548,533 |
| Total Equity PY | 20,304,338,429 | 23,792,541,874 |
| **Average total equity** | **20,684,005,105** | **23,918,545,204** |
| **Return on Equity** | **7.9%** | **5.1%** |
| | | |
| Net Income | 409,531,413 | 302,389,407 |
| Revenue | 3,578,909,003 | 3,337,537,824 |
| **Net Income Margin** | **11.4%** | **9.1%** |

**PART II--OTHER INFORMATION**

**Item 3. 1st Quarter of 2023 Developments**

**A.** New Projects or Investments in another line of business or corporation.

*None*

**B.** Composition of Board of Directors

| **Name of Director** | **Position** |
|---|---|
| Jose E.B. Antonio | Chairman of the Board |
| John Victor R. Antonio | Director |
| Jose Marco R. Antonio | Director |
| Jose Carlo R. Antonio | Director |
| Ricardo Cuerva | Director |
| Rafael G. Yaptinchay | Director |
| Hilda R. Antonio | Director |
| Jose L. Cuisia | Independent Director |
| Stephen T. CuUnjieng | Independent Director |
| Carlos C. Ejercito | Independent Director |
| Aileen U. Ongkauko | 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.

*None*

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

*None*

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

*None*

**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 normal course of business.

*None.*

**Item 4. Other Notes as of 1st Quarter of 2024 Operations and Financials.**

**J.** Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that is 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.

*There were no changes in estimates of amounts reported in prior interim period or prior financial years that have a material effect in the current interim period.*

.

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

*See Notes to Financial Statements and Management Discussion and Analysis.*

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

*None*

**N.** 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*

**O.** Changes in contingent liabilities or contingent assets since the last annual statement of financial position date.

*None*

**P.** Existence of material contingencies and other material events or transactions during the interim period

*None.*

**Q.** Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

*None*

**R.** 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.*

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

*The movement of capital expenditures being contracted arose from the regular land development and construction requirements.*

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

*As of March 31, 2024, there are no known trends, events or uncertainties that are reasonably expected to have impact on sales/revenues/income from continuing operations except for those being disclosed in the 1st quarter of 2024 financial statements.*

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

*None.*

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

*See Notes to Financial Statements and Management Discussion and Analysis (MD&A) as material changes are described in detail in the MD&A section*

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

*None.*

**X.** Disclosures not made under SEC Form 17-C.

*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.

**CENTURY PROPERTIES GROUP INC.**
**By:**

**ROSALINDA G. MANGUNE**
**Comptroller**

# CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

## SCHEDULE OF USE OF PROCEEDS FROM PREFERRED SHARES
## March 31, 2024

| Use of Proceeds | As of March 31, 2024 |
|---|---|
| **Proceeds from the sale of Preferred Shares** | **₱2,000,000,000** |
| Less: Offer Related Expenses | |
| Underwriting fees | 19,500,000 |
| Professional and Agency Fees | 16,355,348 |
| DST | 106,000 |
| SEC registration and legal research fee | 1,830,655 |
| PSE Filing fee (inclusive of VAT) | 5,600,000 |
| Stock Transfer and Receiving Agent fee | 728,000 |
| Insurance Commission processing fee | 10,100 |
| Other miscellaneous expenses (signing, publicity, etc.) | 774,480 |
| **Subtotal** | **44,904,582** |
| **Net proceeds for the Offer** | **₱1,955,095,418** |
| | |
| **Disbursements** | **1,955,095,418** |
| **Balance of Proceeds as of March 31, 2024** | **₱-** |

Century Properties Group, Inc. raised from the Preferred Shares gross proceeds of ₱2.00 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱1.96 billion were used to partially repay existing obligations of the Company, and partially finance capital expenditures of vertical project development and other corporate fund requirements.

# CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

## SCHEDULE OF BONDS PROCEEDS
## March 31, 2024

**₱3.0 BILLION BONDS DUE ON 2027**

| Use of Proceeds | ESTIMATED PER PROSPECTUS | ACTUAL |
|---|---|---|
| **Estimated proceeds from the sale of Bonds** | **₱3,000,000,000** | **₱3,000,000,000** |
| Less: Upfront fees | | |
| SEC registration and legal research fee | 1,325,625 | 1,325,625 |
| Underwriting fees | 22,500,000 | 22,500,000 |
| DST | 22,500,000 | 22,500,000 |
| Estimated Professional and Agency Fees | 9,343,100 | 23,436,549 |
| Listing application fees | 100,000 | 100,000 |
| Other Miscellaneous expense | 50,000 | 44,837 |
| **Subtotal** | **₱55,818,725** | **₱69,907,011** |
| **Net proceeds** | **₱2,944,181,275** | **₱2,930,092,989** |

**Balance of Proceeds as of March 31, 2024** **NIL**

Century Properties Group, Inc. raised from the Bonds gross proceeds of ₱3.00 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱2.93 billion were used to partially repay existing obligations of the Company, and partially finance capital expenditures of vertical project development and other corporate fund requirements.

# CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

## SCHEDULE OF BONDS PROCEEDS

## March 31, 2024

**₱3.0 BILLION BONDS**

- ₱0.7 billion due on 2027
- ₱1.3 billion due on 2028
- ₱1.0 billion due on 2030

| Use of Proceeds | ESTIMATED PER PROSPECTUS | ACTUAL |
|---|---|---|
| **Estimated proceeds from the sale of Bonds** | **₱3,000,000,000** | **₱3,000,000,000** |
| Less: Upfront fees | | |
| SEC registration and legal research fee | 757,530 | 757,530 |
| Underwriting fees | 22,500,000 | 22,500,000 |
| DST | 22,500,000 | 22,500,000 |
| Estimated Professional and Agency Fees | 9,683,000 | 7,526,920 |
| Listing application fees | 300,000 | 300,000 |
| Other Miscellaneous expense | 50,000 | 50,000 |
| **Subtotal** | **₱55,790,530** | **₱53,634,450** |
| **Net proceeds** | **₱2,944,209,470** | **₱2,946,365,550** |

**Balance of Proceeds as of March 31, 2024** **NIL**

Century Properties Group, Inc. raised from the Bonds gross proceeds of ₱3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱2.95 billion were used to partially repay existing obligations of the Company, and partially finance capital expenditures of vertical project development and other corporate fund requirements.

# SECURITIES AND EXCHANGE COMMISSION
## ANNUAL REPORT PURSUANT TO SECTION 17

### SEC FORM 17-A

### OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended: **December 31, 2023**

2. SEC Identification Number: **60566**

3. BIR Tax Identification No.: **004-504-281-000**

4. Exact name of issuer as specified in its charter:

**CENTURY PROPERTIES GROUP INC.**

5. Province, Country or other jurisdiction of incorporation or organization: **Philippines**

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of principal office/Postal Code: **35th Floor Century Diamond Tower, Century City Kalayaan Avenue, Makati City**

8. Issuer's telephone number, including area code: **(632) 7938905**

9. Former name, former address, and former fiscal year, if changed since last report:

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA:

| Title of Each Class | No. of Shares of Stock Outstanding and as Issued of December 31, 2023 |
|---|---|
| **COMMON** | **11,599,600,690 outstanding shares** |
| | **100,123,000 treasury shares** |
| **PREFERRED** | **30,0000,000 treasury shares** |

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

Yes [ **X** ] No [ ]

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

**Philippine Stock Exchange - All outstanding Common Shares and Preferred Shares**

12. Check whether the issuer:

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

Yes [ **X** ] No [ ]

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

Yes [ **X** ] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant.

**₱949,682,507.69 billion as of December 31, 2023**

**APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [ ] No [**X**]

**DOCUMENTS INCORPORATED BY REFERENCE**

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

Consolidated Financial Statements as of and for year ended December 31, 2023
(Incorporated as reference for Item 7 to 12 of SEC Form 17-A)

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# PART I. BUSINESS AND GENERAL INFORMATION

## ITEM 1. BUSINESS

### 1.1 OVERVIEW

Century Properties Group, Inc., ("CPGI") is one of the leading real estate companies in the Philippines with a thirty-seven (37) year of experience. The Company is primarily engaged in the development, marketing, and sale of mid- and high-rise condominiums and single detached homes, leasing of retail and office space, and property management.

As of December 31, 2023, the Company has completed 38 projects, which includes 33 residential projects, consisting of 18,589 units and an aggregate gross floor area ("GFA") of 1,462,749 sqm (inclusive of parking) and retail commercial building with gross leasable area ("GLA") of 16,443 sqm (inclusive of parking); a medical office building with GLA of 29,749 sqm (inclusive of parking); two (2) office buildings with GLA of 29,154 sqm (inclusive of parking) and 57,137 sqm (inclusive of parking), respectively, and CPGI's first hospitality venture, a 152-room hotel with 12,538 sqm (inclusive of parking). Furthermore, the Company has also completed 9,010 homes under its affordable housing segment. These are in addition to the 19 buildings consisting of 4,128 units with an aggregate GFA of 548,262 sqm that were completed prior to 2010 by the Meridien Group of Companies ("Meridien"), the founding principals' prior development companies. Noteworthy developments of Meridien include: The Essensa East Forbes and South of Market in Fort Bonifacio, SOHO Central in the Greenfield District of Mandaluyong City, Pacific Place in Ortigas, Le Triomphe, Le Domaine, and Le Metropole in Makati City.

**Completed Projects as of December 31, 2023**

| Residential Projects | Location | Type | GFA in sq.m. (with parking) | Units | Year Completed |
|---|---|---|---|---|---|
| **Century City** | | | | | |
| Gramercy Residences | Makati City | Residential | 121,595 | 1,433 | 2012 |
| Knightsbridge Residences | Makati City | Residential | 87,717 | 1,329 | 2013 |
| Milano Tower | Makati City | Residential | 64,304 | 516 | 2016 |
| Trump Tower | Makati City | Residential | 55,504 | 267 | 2017 |
| Century Spire | Makati City | Residential/Office | 92,138 | 552 | 2022 |
| ***Subtotal*** | | | ***421,257*** | ***4,097*** | |
| **Azure Urban Resorts Residences** | | | | | |
| Rio | Parañaque City | Residential | 42,898 | 756 | 2013 |
| Santorini | Parañaque City | Residential | 36,126 | 553 | 2013 |
| St. Tropez | Parañaque City | Residential | 36,260 | 580 | 2014 |
| Positano | Parañaque City | Residential | 35,164 | 597 | 2015 |
| Miami | Parañaque City | Residential | 34,954 | 559 | 2015 |
| Maui | Parañaque City | Residential | 41,235 | 601 | 2016 |
| Maldives | Parañaque City | Residential | 28,859 | 385 | 2017 |

| | | | | | |
|---|---|---|---|---|---|
| Boracay | Parañaque City | Residential | 27,713 | 473 | 2018 |
| Bahamas | Parañaque City | Residential | 53,701 | 851 | 2019 |
| ***Subtotal*** | | | ***336,909*** | ***5,355*** | |
| **Residential Projects** | **Location** | **Type** | **GFA in sq.m. (with parking)** | **Units** | **Year Completed** |
| **Acqua Private Residences** | | | | | |
| Niagara | Mandaluyong City | Residential | 33,709 | 474 | 2015 |
| Sutherland | Mandaluyong City | Residential | 41,705 | 736 | 2015 |
| Dettifoss | Mandaluyong City | Residential | 36,536 | 607 | 2016 |
| Livingstone | Mandaluyong City | Residential | 40,251 | 675 | 2016 |
| Iguazu | Mandaluyong City | Residential | 36,367 | 492 | 2018 |
| Acqua Tower 6 | Mandaluyong City | Residential | 13,531 | 185 | 2019 |
| ***Subtotal*** | | | ***202,099*** | ***3,169*** | |
| **The Residences at Commonwealth by Century** | | | | | |
| Osmeña West | Quezon City | Residential | 14,525 | 158 | 2015 |
| Quezon North | Quezon City | Residential | 17,760 | 285 | 2017 |
| Roxas East | Quezon City | Residential | 27,255 | 389 | 2017 |
| Osmeña East | Quezon City | Residential | 14,089 | 220 | 2018 |
| Roxas West | Quezon City | Residential | 26,767 | 500 | 2019 |
| Quirino West | Quezon City | Residential | 26,759 | 517 | 2020 |
| Quirino East | Quezon City | Residential | 26,747 | 498 | 2020 |
| Quezon South | Quezon City | Residential | 38,341 | 687 | 2022 |
| ***Subtotal*** | | | ***192,245*** | ***3,254*** | |
| **Canyon Ranch** | | | | | |
| Phase 1 & 2 | Carmona, Cavite | Residential | 166,896 | 779 | *Per house* |
| Moderno | Carmona, Cavite | Residential | 25,304 | 146 | *Per house* |
| ***Subtotal*** | | | ***192,200*** | ***925*** | |
| **The Resort Residences at Azure North** | | | | | |
| Monaco | Pampanga | Residential | 43,063 | 798 | 2021 |
| Bali | Pampanga | Residential | 43,063 | 806 | 2021 |
| ***Subtotal*** | | | ***86,125*** | ***1,604*** | |
| | | | | | |
| ***Commune Village at Batulao*** | ***Batangas*** | ***Residential*** | ***31,914*** | ***185*** | ***Per house*** |
| | | | | | |
| **Grand Total** | | | ***1,462,749*** | ***18,589*** | |

| Commercial/Office Projects | Location | Type | GLA in sq.m. (with parking) | Units | Year Completed |
|---|---|---|---|---|---|
| Century City Mall | Makati City | Retail | 16,443 | 150 | 2013 |
| Centuria Medical Makati | Makati City | Medical Office | 29,749 | 708* | 2015 |
| Asian Century Center | BGC, Taguig City | Office Building | 29,154 | 51 | 2018 |
| Century Diamond Tower | Makati City | Office Building | 57,137 | 206 | 2019 |
| Novotel Suites Manila | Mandaluyong City | Hotel | 12,538 | 152 | 2022 |
| **Total** | | | **145,021** | **1,267** | |

**571 units sold, 141 units for lease*

*Note: Excludes projects completed by Meridien*

The Company, through subsidiary CPMI, also engages in a wide range of property management services, from facilities management and auction services, to lease and secondary sales. Through CPMI, the Company endeavors to ensure the properties it manages maintain and improve their asset value and are safe and secure. As of December 31, 2023, CPMI manages 64 projects with a total of 97 buildings and 7.56 million sq. m of GFA (inclusive of parking) under management. Of the total CPMI projects under management, 63% of the projects were developed by third parties. Notable third-party developed projects under management include One Corporate Center and Union Bank Plaza in Ortigas, Pacific Star Building in Makati City, Philippine National Bank branches in various locations, National Grid Corporation of the Philippines in Quezon City and San Juan City, The Globe Tower in Cebu and De La Salle University in Lipa City.

## 1.2 SUBSIDIARIES AND ASSOCIATE

Below is the Company's percentage of ownership in its Subsidiaries and Associate as of the filing of this report.

| | Percentage of Ownership as of the Filing of the Report | |
|---|---|---|
| | Direct | Indirect |
| Century Communities Corporation (CCC) | 100 | - |
| Century City Development Corporation (CCDC) | 100 | - |
| Century Limitless Corporation (CLC) | 100 | - |
| Century Properties Management Inc. (CPMI) | 100 | - |
| PHirst Park Homes, Inc (PPHI) | 100 | - |
| Century Destinations and Lifestyle Corp. *(Formerly Century Properties Hotel and Leisure, Inc.)* | 100 | - |
| Century Nuliv Development Corporation *(Formerly Century Prima Corp)* | 100 | - |

*Century Communities Corporation*

CCC, incorporated in 1994, is focused on horizontal house and lot developments. From the conceptualization to the sellout of a project, CCC provides experienced specialists who develop and execute the right strategy to successfully market a project. CCC is the developer of Canyon Ranch, a 25-hectare house and lot development located in Carmona, Cavite.

*Century City Development Corporation*

CCDC, incorporated in 2006, is focused on developing mixed-use communities that include residences, office, and retail properties. CCDC is currently developing Century City, a 3.4-hectare mixed-use development along Kalayaan Avenue in Makati City.

*Century Limitless Corporation*

CLC, incorporated in 2008, is Century's brand category that focuses on developing high-quality, affordable residential projects. Projects under CLC will cater to first-time home buyers, start-up families and investors seeking safe, secure and convenient homes.

*Century Properties Management, Inc.*

Incorporated in 1989, CPMI is one of the largest property management companies in the Philippines, as measured by total gross floor area under management. CPMI currently has 64 projects in its portfolio, covering a total gross floor area of 7.56 million sqm. The Company believes that CPMI is the first independent and local property management company to introduce international standards in the Philippine property market. CPMI has been awarded 18 safety and security distinctions from the Safety Organization of the Philippines.

*Century Destinations and Lifestyle Corp. (CDLC)*
*(Formerly Century Properties Hotel and Leisure, Inc.)*

Incorporated in 2014, CPHLI shall operate, conduct and engage in hotel and leisure and related business ventures.

*PHirst Park Homes Inc. (PPHI)*

PPHI, incorporated on 31 August 2018, is the first-home division and brand of CPGI. Its projects are located within the fringes of Metro Manila and its target market are first-time homebuyers. Its current projects are located at Barangay San Lucas in Lipa City and San Pablo, Laguna, which involve a multi-phase horizontal residential property and offer both Townhouse units & Single Attached units. PHirst Park Homes is a joint venture project between Century Properties Group Inc. and Mitsubishi Corporation with a 60-40% shareholding, respectively. On 31 May 2023, the Board of Directors of the Company approved the acquisition of the 40% shareholdings or One Billion Sixty Million (1,060,000,000) common shares with a par value of One Peso (₱1.00) per share and Two Hundred Sixty-Five Thousand (265,000) Preferred B shares with a par value of One Thousand Pesos (₱1,000.00) per share of Mitsubishi Corporation in PPHI. As of 24 November 2023, the acquisition was concluded, and a deed of absolute sale was executed by Mitsubishi Corporation in favor of the Company.

*Century Nuliv Development Corporation (CNDC)*
*(Formerly Century Prima Corp.)*

Incorporated in 2020, CNDC shall focus on continuing Century's legacy of serving the needs of the premium and luxury market. Its subdivisions and enclaves consist of premium townvillas, house and lots, and low-rise, low-density condos located in Metro Manila and key growth cities in the Philippines. CNDC's developments feature innovative and inspired architectural designs and provide superior customer experience that is keenly attuned to primary home buyer preferences and new generation living.

## 1.3 RECENT TRANSACTIONS

### Issuance of ₱3 Billion Fixed Rate Retail Bonds

On 17 March 2023, CPGI issued and listed with the PDEx a total of ₱3,000,000,000 Fixed Rate Retail Bonds comprising of 6.5760% per annum three (3) year fixed rate bonds ("Series A Bonds"), 7.4054% per annum five (5) year fixed rate bonds ("Series B Bonds") and 7.6800% per annum seven (7) year fixed rate bonds ("Series C Bonds"). The bond issuance is the second tranche of the Company's ₱6,000,000,000.00 Debt Securities Program Shelf Registration with the SEC under SEC Order No. 5, Series of 2022. The bonds have been rated "AA+" by Credit Rating and Investor Services Philippines Inc. (CRISP).

The proceeds from the issuance of the bonds were used primarily: (i) to partially finance the redemption of CPGP Preferred Shares with dividend rate of 6.7177%; (ii) to fund capital expenditures for new horizontal affordable housing developments; and (iii) to fund general corporate requirements.

### Acquisition of Shares of Mitsubishi Corporation in PHirst Park Homes Inc.

On 31 May 2023, the Board of Directors of CPGI approved the acquisition of the 40% shareholdings or One Billion Sixty Million (1,060,000,000) common shares with a par value of One Peso (₱1.00) per share and Two Hundred Sixty-Five Thousand (265,000) Preferred B shares with a par value of One Thousand Pesos (₱1,000.00) per share of Mitsubishi Corporation in PPHI. The Philippine Competition Commission has approved the above transaction on 9 August 2023.

PPHI was incorporated on 31 August 2018, and is the first-home division and brand of CPGI. Its projects are located within the fringes of Metro Manila and its target market is first-time homebuyers. Its current projects are located at Lipa and Batulao in Batangas, San Pablo and Calamba in Laguna, Naic, General Trias and Tanza in Cavite, Baliwag and Pandi in Bulacan, Tayabas in Quezon, Magalang in Pampanga, Balanga in Bataan and Gapan Nueva Ecija, which involve a multi-phase horizontal residential property and offer both Townhouse units & Single Attached units. PPHI is a joint venture project between Century Properties Group Inc. and Mitsubishi Corporation with a 60-40% shareholding, respectively.

On 24 November 2023, the Company has concluded the acquisition of 40% shareholdings or One Billion Sixty Million (1,060,000,000) common shares at ₱1.09 per share and Two Hundred Sixty-Five Thousand (265,000) Preferred B shares at ₱1,085.28 per share of Mitsubishi Corporation, with a total acquisition price of One Billion Four Hundred Thirty-Eight Million Pesos Only (₱1,438,000,000.00) paid in cash. A Deed of Absolute Sale of Shares was executed by Mitsubishi Corporation in favor of CPGI.

### Redemption of ₱3 Billion Preferred Shares

On 10 July 2023, CPGI fully redeemed its ₱3,000,000,000.00 cumulative, non-voting, non-convertible, non-participating, non-convertible, redeemable Peso-denominated Preferred Shares ("CPGP Preferred Shares") issued by the Company and listed on the PSE on 10 January 2020.

The Company's Board of Directors approved the optional redemption of the CPGP Preferred Shares in its special board meeting last 12 May 2023. The CPGP Preferred Shares were redeemed at its redemption price of One Hundred Pesos (₱100.00) per share, pursuant to the terms set out in the Prospectus dated 12 December 2019. The preferred shares were redeemed last July 10, 2023

**Century PHirst Corporation**

On 23 February 2023, CPGI announced the expansion of its first home market residential offerings through Century PHirst Corporation (CPC), a wholly owned subsidiary of Century Limitless Corporation (CLC). Through CPC, CPGI will, by itself, be venturing into the socialized, economic, and mid-income residential markets. CLC is a wholly owned subsidiary of CPGI.

CPC's flagship projects are: (1) PHirst Editions Batulao located in Nasugbu, Batangas, which was launched in October 2022; (2) PHirst Sights Bay in Laguna, which was launched in December 2022; and (3) PHirst Centrale Hermosa in Bataan, which was launched in December 2022 (PHirst Fairgrounds) and May 2023 (PHirst Impressions).

PHirst Editions Batulao, Century PHirst's maiden middle-income development, is a horizontal residential project in Nasugbu, Batangas and is located adjacent to the existing PHirst Park Homes Batulao community. PHirst Editions Batulao spans 14 hectares and will house 629 single attached and single detached units with a project sales value of ₱3.06 Billion for middle income, priced from ₱3.2 Million to ₱6 Million.

## 1.4 OPERATIONS

**Land Acquisition**

The Company sources land for development through joint venture agreements with landowners, or through direct purchases. Direct purchases can either be paid for in cash or on an installment basis. The land acquisition process consists of three main steps: identifying, assessing, and executing.

First, the Company identifies land with a focus on high growth areas within and outside Metro Manila. During this time, the Company checks the title of the property to ensure there are no encumbrances that will prevent development. Zoning and floor to area considerations are also examined at this stage. The sources of land in the Philippines include privately owned undeveloped property, government owned property, foreclosed bank assets and redevelopment of existing properties as certain industries migrate outside of Metro Manila.

Second, the Company assesses the physical and financial suitability of the land. The land must be topographically amenable to condominium or house and lot developments. The Company also analyzes the macro demand and competing developments to develop a marketing plan for the project, as well as run pro forma cash flows and profit and loss statements for the project.

Third, the Executive Committee of the Company approves the project internally and commences with the acquisition of the land.

## Project Design

The project design process involves the planning of the potential project, including determination as to the suitable market segment, master planning, design of property and landscape design. Development timetables vary from project to project, as each project differs in scale and design. Typically, project planning begins after land acquisition and takes at least nine (9) months, during which time CPGI prepares both the master plan for the entire project (which can take several months and may be revised over the course of the project) and detailed plans for each project phase.

The Company utilizes its in-house design capabilities and market research data to plan developments. Part of the feasibility of a project is determining the property type to develop (i.e., residential, office, retail, medical, etc.). The Company believes that its expertise in, and innovative approach allows it to reduce costs, maintain competitive prices, create distinctive properties, and increase sales. From time to time, the Company hires highly regarded third parties to design and plan projects. The work performed by these third parties must comply with specifications that the Company provides, and, in all cases, their work is subject to the Company's final review and approval. In particular, the Company hires third parties, including international firms, to design projects which are complex and require specific technical expertise and to design specific high-end projects.

## Project Development and Construction

Project development and construction involves obtaining the required Government regulatory approvals and executing the Company's plans. Typically, once the Company has completed the project planning phase, it obtains the necessary Government approvals and permits to conduct pre-marketing activities. For residential projects, once the project has received a development permit from the relevant LGU or HLURB, as the case may be, and a permit to sell from the latter, pre-sales of the residential unit can, and initial development work on the project site may commence. Before the site development process can begin, the Company must also obtain clearances from various Government departments, principally the DENR and the DAR, as well as the relevant LGU.

## Marketing and Sales

The Company utilizes the group's local and international marketing network and believes it is one of the most active industry players when it comes to sales and marketing. The Groups' local and international marketing and distribution network consists of 3,976 agents which include 3,287 commission-based agents and 689 subsidized agents as of 31 December 2023.

The Company's advertising and promotional campaigns include the use of showrooms, print and outdoor advertising, fliers, leaflets, brochures and online digital campaigns designed specifically for the particular target market. The advertising and promotional campaigns are carefully conceptualized and managed by the Company's Corporate Communications Department.

## Sales and Customer Financing

The Company normally conducts pre-selling of its property units prior to both construction and project completion. Customers generally start with the payment of non-refundable, non-transferable pre-sale fee that is valid for 30 calendar days from the date of payment. Within

this period, the customer is required to submit the complete post-dated checks covering the monthly amortizations and the final turnover balance.

Notwithstanding certain buyers who opt to pay the purchase price in full and in cash, the Company requires 20% to 50% of the total purchase price to be paid during the construction stage, which is between two to four years. On the turnover date, the buyers would have fully paid the required 20% to 50% of the total purchase price and would be required to either pay the balance in cash or apply for a bank-financed loan. The Company assists qualified homebuyers in obtaining mortgage financing from government-sponsored mortgage lenders and from commercial banks.

**Sales Cancellations**

Defaults and cancellations are subject to a variety of circumstances beyond the Company's control, such as adverse economic and market conditions as well as increase in interest rates.

**After-sales Services**

The Company provides maintenance services through its subsidiary CPMI on projects that are fully turned over to the owners. The Company believes that CPMI's management of the completed projects increases their asset value.

The Company obtains feedback from the unit owners in order to provide quality home dwelling units in the future and to enhance long-term relationships with them.

**Insurance**

The Company believes that it has sufficient insurance coverage that is required by Philippine regulations for real and personal property. Subject to customary deductibles and exclusions, the Company's insurance policies include coverage for, among other things, building and improvements, machinery and equipment, furniture, fixtures and fittings against damage from fire and natural perils, machinery breakdown, third-party liability to the public and construction works. The Company is not covered by business interruption insurance.

**Competition**

The Philippine real estate development industry is highly competitive. CPGI's primary competitors are real estate companies that also focus on developing residential and commercial buildings in the Philippines. The Company believes that customers choose among competing real estate companies based on design, amenities, price, location, developer reputation, quality of finishes, after-sales support services, unit sizes, monthly amortization and financing terms. Century's competitors vary depending on the target market. The main competitors, among others, are Ayala Land, Inc., DMCI Homes, Filinvest Land Inc., Megaworld Corp., Robinson Land Corp., Rockwell Land Corporation, and Vista Land & Lifescapes, Inc.

The Company believes that it can effectively compete with other companies in its industry through innovative branding strategies to effectively enhance brand visibility and product appeal while attempting to reinforce credibility as a leading developer in the Philippines. The Company is also developing properties in partnership with global brand names and setting up

various marketing offices abroad to cater to foreign customers, Filipinos based abroad and OFW's.

### Suppliers

The Company has a broad base of suppliers, both local and international. The Company is not dependent on one or limited number of suppliers.

### Customers

The Company has a broad market base including local and foreign individual and institutional clients.

### Intellectual Property

The Company through its Subsidiaries has several trademarks/trade name and logos registered with the Intellectual Property Office of the Philippines. These trademarks have registration licenses, and the management has continuously maintained its renewal after such registration anniversary for exclusive use of trademarks, names and logos.

The following are significant trademarks and logos of the Company's Subsidiaries registered which the management protects and secures licenses in updating its rights to use exclusively for its operations:

### Century City Development Corporation

| Trademark Title | Registration No. | Registration Date | Status |
|---|---|---|---|
| The Knightsbridge Residences at Century | 4-2008-002251 | 07/07/2009 | Active |
| The Gramercy Residences | 4-2007-003346 | 08/13/2007 | Active |
| Century City Development Corporation | 4-2007-003034 | 08/13/2007 | Active |
| The Gramercy Residences at Century City | 4-2007-003343 | 08/13/2007 | Active |
| MOMA the Modern Makati | 4-2007-004279 | 10/29/2007 | Active |
| Century City | 4-2007-003035 | 08/13/2007 | Active |
| Century City Mall | 4-2013-001793 | 02/18/2013 | Active |
| Century City Mall | 4-2013-001794 | 07/25/2013 | Active |

### Century Limitless Corporation

| Trademark Title | Registration No. | Registration Date | Status |
|---|---|---|---|
| The Sanctuary Cove | 4-2009-006601 | 05/20/2010 | Active |
| Sanctuary Cove (Stylized) | 4-2009-006622 | 05/20/2010 | Active |
| Acqua Private Residences | 4-2010-009211 | 09/15/2011 | Active |
| Acqua Private Residences and Design | 4-2010-009212 | 09/15/2011 | Active |
| The Pebble | 4-2011-003766 | 09/15/2011 | Active |

| Trademark Title | Registration No. | Registration Date | Status |
|---|---|---|---|
| Niagara Tower | 4-2011-003771 | 09/15/2011 | Active |
| Sutherland Tower | 4-2011-003772 | 09/15/2011 | Active |
| Dettifoss Tower | 4-2011-003770 | 09/15/2011 | Active |
| Yosemite Tower | 4-2011-003767 | 09/15/2011 | Active |
| Acqua Victoria Tower | 4-2011-003768 | 09/15/2011 | Active |
| Iguazu Tower | 4-2011-003769 | 09/15/2011 | Active |
| The Atlantis Residences | 4-2009-004741 | 11/19/2009 | Active |
| The Atlantis | 4-2009-004742 | 11/19/2009 | Active |
| Azure Urban Resort Residences | 4-2009-010680 | 05/20/2010 | Active |
| Azure Urban Resort Residences with a Rectangle | 4-2009-010681 | 05/20/2010 | Active |
| Azure Urban Resort Residences with a Rectangle Active | 4-2009-010682 | 05/20/2010 | Active |
| Acqua Iguazu Yoo Inspired by Starck | 4-2011-014335 | 12/01/2011 | Active |
| The Residences at Commonwealth by Century and Logo | 4-2012-009282 | 07/27/2012 | Active |
| Nova by Century | 4-2013-00009720 | 08/14/2013 | Active |
| Novacity by Century | 4-2013-00009728 | 08/14/2013 | Active |
| Azure | 4-2017-009341 | 12/08/2019 | Active |
| Azure North | 4-2017-009355 | 11/18/2017 | Active |
| St. Tropez | 4-2017-009344 | 11/18/2017 | Active |
| Rio at the Azure | 4-2017-009343 | 08/04/2019 | Active |
| The St. Tropez at the Azure | 4-2017-009345 | 07/25/2019 | Active |
| The Santorini at the Azure | 4-2017-009346 | 11/18/2017 | Active |
| Positano at the Azure | 4-2017-009347 | 07/25/2019 | Active |
| Maui | 4-2017-009348 | 11/18/2017 | Active |
| Maui at the Azure | 4-2017-009349 | 07/25/2019 | Active |
| The Miami at the Azure | 4-2017-009351 | 02/29/2020 | Active |
| The Maldives at the Azure | 4-2017-009352 | 02/29/2020 | Active |
| Bahamas at the Azure | 4-2017-009353 | 03/31/2019 | Active |
| Boracay at the Azure | 4-2017-009354 | 03/31/2019 | Active |
| Barbados at Azure North | 4-2017-009356 | 03/31/2019 | Active |
| Monaco at Azure North | 4-2017-009357 | 03/31/2019 | Active |
| Bali at Azure North | 4-2017-009358 | 03/31/2019 | Active |
| Batulao Artscapes | 4-2017-009367 | 11/09/2017 | Active |
| Batulao Artscapes | 4-2017-009368 | 06/16/2017 | Active |
| Century Estates At Batulao | EFPH2023000079083 | 02/21/2023 | New |
| Commune Village at Batulao | EFPH2023000026459 41 | 10/26/2023 | New |

| Trademark Title | Registration No. | Registration Date | Status |
|---|---|---|---|
| Artventure | 4-2017-011921 | 07/28/2017 | Active |
| Artscapes | 4-2017-011920 | 07/28/2017 | Pending review of application |
| Co. Dorms | 4-2018-002012 | 02/02/2018 | Pending review of application |
| Co. Livingspaces | 4-2018-002013 | 02/02/2018 | Pending review of application |
| Co. | 4-2018-002014 | 02/02/2018 | Pending review of application |
| Co. Spaces | 4-2018-002015 | 02/02/2018 | Pending review of application |
| Prima | 4-2018-002016 | 02/02/2018 | Active |
| Prima Villahome | 4-2018-002017 | 02/02/2018 | Active |
| Prima Townvilla | 4-2018-002018 | 02/02/2018 | Active |
| Prima Resorthome | 4-2018-002019 | 02/02/2018 | Active |
| Century Destinations | 4-2019-00010918 | 06/26/2019 | Active |
| Century Enclaves | 4-2019-00010920 | 06/26/2019 | Active |
| Century Prima | 4-2019-00010919 | 06/26/2019 | Active |
| Century Vertical Villas | 4-2019-00010916 | 06/26/2019 | Active |
| Century TownVillas | 4-2019-00010913 | 06/26/2019 | Active |
| Century Co. | 4-2019-00010921 | 06/26/2019 | Active |
| Century City Prima Homes At San Fernando | 4-2021-515436 | 07/01/2021 | Pending review of application |
| Century Estate Prima Homes At Batulao And Logo | 4-2021-515437 | 07/01/2021 | Pending review of application |
| Century Prima Residences At Acqua And Logo | 4-2021-515446 | 07/01/2021 | Pending review of application |
| Century Prima Residences At Katipunan And Logo | 4-2021-515440 | 07/01/2021 | Pending review of application |
| Century Prima New Generation Living With Aqua Background And Logo | 4-2021-515443 | 07/01/2021 | Pending review of application |
| Century Prima And Logo | 4-2021-515444 | 07/01/2021 | Pending review of application |
| Century City Prima Towers At San Fernando And Logo | 4-2021-515445 | 07/01/2021 | Pending review of application |

## Century Communities Corporation

| Trademark Title | Registration No. | Registration Date | Status |
|---|---|---|---|
| Century Communities and Device | 4-2007-003036 | 08/13/2007 | Active |
| Mt. Batulao by Century | 4-2015-001992 | 11/05/2015 | Active |

## Century Destinations and Lifestyle Corp

| Trademark Title | Registration No. | Registration Date | Status |
|---|---|---|---|
| Narra Hotels & Resorts and Logo | 4-2014-006411 | 05/21/2014 | Active |
| Crib by Narra and Design | 4-2014-006413 | 05/21/2014 | Active |
| Crib Hotels | 4-2014-006412 | 05/21/2014 | Active |
| The Cove at San Vicente Lifestyle Resort & Private Residences | 4-2018-00016429 | 04/25/2019 | Active |
| The Viu at Batulao Artscapes | 4-2018-00016432 | 04/25/2019 | Active |
| The Viu at Batulao Artscapes | 4-2018-00016433 | 04/25/2019 | Active |
| Destinations by Century Properties | 4-2018-00011086 | 07/14/2019 | Active |
| CDLC | 4-2018-00011085 | 10/25/2018 | Active |

## Century Properties Group, Inc

| Trademark Title | Registration No. | Registration Date | Status |
|---|---|---|---|
| Cape San Vicente | 4-2015-001994 | 02/24/2015 | Active |
| A Censo Homes | 4-2015-001995 | 02/24/2015 | Active |
| Censo Homes | 4-2015-001993 | 02/24/2015 | Active |

## Century Nuliv Development Corporation *(formerly CENTURY PRIMA CORP.)*

| Trademark Title | Application No. | Application Date | Status |
|---|---|---|---|
| CENTURY NULIV DESTINATIONS | 4-2022-00522445 | 09/06/2022 | Pending review of application |
| CEDNTURY NULIV | 4-2022-00522442 | 09/06/2022 | Pending review of application |
| CENTURY NULIV ESTATES | 4-2022-00522432 | 09/06/2022 | Pending review of application |
| CENTURY NULIV HOMES | 4-2022-00522443 | 09/06/2022 | Pending review of application |
| CENTURY NULIV RESIDENCES | 4-2022-00522439 | 09/06/2022 | Pending review of application |
| CENTURY NULIV SUITES | 4-2022-00522434 | 09/06/2022 | Pending review of application |
| CENTURY NULIV TOWER | 4-2022-00522437 | 09/06/2022 | Pending review of application |
| CENTURY NULIV TOWNVILLAS | 4-2022-00522438 | 09/06/2022 | Pending review of application |
| NULIV DESTINATIONS | 4-2022-00522435 | 04/06/2023 | Active |
| NULIV ESTATES | 4-2022-00522433 | 04/06/2023 | Active |

| Trademark Title | Application No. | Application Date | Status |
|---|---|---|---|
| NULIV HOMES | 4-2022-00522450 | 04/06/2023 | Active |
| NULIV RESIDENCES | 4-2022-00522430 | 02/26/2023 | Active |
| NULIV SUITES | 4-2022-00522448 | 04/06/2023 | Active |
| NULIV TOWER | 4-2022-00522436 | 04/06/2023 | Active |
| NULIV TOWNVILLAS | 4-2022-00522449 | 04/06/2023 | Active |
| CENTURY NULIV NEW GENERATION LIVING AND LOGO | 4-2022-00522444 | 09/06/2022 | Pending review of application |
| CENTURY N AND LOGO | 4-2022-00522431 | 09/06/2022 | Pending review of application |
| CENTURY NULIV HOMES AT ANGELES AND LOGO | 4-2022-00522447 | 09/06/2022 | Pending review of application |
| CENTURY NULIV RESIDENCES AT KATIPUNAN AND LOGO | 4-2022-00522440 | 09/06/2022 | Pending review of application |
| CENTURY NULIV TOWNVILLAS AT ACQUA AND LOGO | 4-2022-00522446 | 09/06/2022 | Pending review of application |
| N HOMES N TOWNVILLAS N CONDO AND LOGO | 4-2022-00522441 | 09/04/2023 | Active |

**Government Approvals/Regulations**

The Company secures various government approvals such as the Environmental Compliance Certificates (ECC), development permits, licenses to sell, etc. as part of the normal course of its business.

The Company has no principal product that has pending government approval as of December 31, 2023.

As of December 31, 2023, the Company is not aware of any existing or probable governmental regulations that will have an impact on the Company's operations.

All government approvals and permits issued by the appropriate government agencies or bodies which are material and necessary to conduct the business and operations of the Company, were obtained by the Company and are in full force and effect.

## Employees

CPGI and its Subsidiaries have 1,039 employees as of December 31, 2023, and 1,025 employees as of December 31, 2022. There was no new senior officer hired in the group for the year 2023. The company's affordable housing subsidiary intends to hire 1 senior officer and 169 additional rank and file employees for the year 2024 to support its growth.

Its employees are primarily engaged in development operations, construction, property management, as well as sales and marketing. The Groups' local and international marketing and distribution network consists of 3,976 agents which include 3,287 commission-based

agents and 689 subsidized agents as of 31 December 2023. CPGI and its Subsidiaries have entered into an Expense Allocation Agreement to pay the costs of such services and record such costs in general, administrative, and selling expenses.

The following table shows the distribution of the Company and its Subsidiaries' employees across its core function areas.

| | **December 31, 2023** | **December 31, 2022** |
|---|---|---|
| Development operations | 395 | 415 |
| Sales and marketing | 100 | 29 |
| Construction | 17 | 54 |
| Property management | 546 | 527 |
| **Total** | **1,039** | **1,025** |
| | | |
| **Agents:** | | |
| Subsidized agents | 689 | 613 |
| Agents on commission | 3,287 | 2,516 |
| **Total** | **3,976** | **3,129** |

To fulfill the manpower requirements, the Company subscribes to local and international job portals, job fairs, executive search, and advertise job postings in leading newspapers and internet sites. The Company practices equal opportunity employment to all qualified talents in terms of hiring, salary job offers, and promotion to hired employees.

CPGI employees are being empowered to take proactive roles with active learning and development plans, regular training opportunities, and real career progression to ensure the continuity of the Company's vision.

Managers and staff are also routinely given feedback on their job performance and CPGI takes other steps to ensure the continuous development of its employees.

The total employee remuneration program provided by the Company has been designed to help compete in the marketplace for quality employees and the Company believes that these packages are in line with the industry standard in the Philippines. CPGI shall provide and enhance long-term incentive programs such as housing programs, employees stock option plan, and retirement program. The Company conducts annual performance reviews and rewards employees with annual salary increases if merited. The Company's goal is to position itself as an employer of choice in the Philippines.

The employees are not covered by a collective bargaining agreement and no employee belongs to a labor union. There has been no loss of work due to any labor disputes.

### 1.5 REGULATIONS

The following are the laws and regulations governing the business of the Company:

**A. Law on Housing and Land Projects**

- *Presidential Decree No. 957: The Subdivision and Condominium Buyer's Protective Decree*
- *B.P. 220: An Act Authorizing the Ministry of Human Settlements to Establish and Promulgate Different Levels of Standards and Technical Requirements for Economic*

*and Socialized Housing Projects in Urban and Rural Areas from those Provided under Presidential Decrees Numbered Nine Hundred Fifty-Seven, Twelve Hundred Sixteen, Ten Hundred Ninety-Six, and Eleven Hundred Eighty-Five*

- *Executive Order No. 71, Series of 1993*
- *Republic Act No. 7279: Urban Development and Housing Act of 1992*
- *Republic Act No. 9646: Real Estate Service Act*
- *Republic Act No. 4726: The Condominium Act*
- *Republic Act No. 11201: Department of Human Settlements and Urban Development Act*
- *Republic Act No. 9160: Anti-Money Laundering Act, as amended.*

**B. Building Permits**

- *Presidential Decree No. 1096 or the National Building Code*
- *Republic Act No. 9514 or the Fire Code of the Philippines*

**C. Zoning and Land Use**

- *Republic Act No. 7160: Local Government Code of the Philippines of 1991*
- *Republic Act No. 6657: Comprehensive Agrarian Reform Law of 1998*

**D. Environmental Laws**

- *Presidential Decree No. 1067 or The Water Code of the Philippines*
- *Republic Act No. 9275 or The Philippine Clean Water Act of 2004*
- *Republic Act No. 8749 or The Philippine Clean Air Act of 1999*
- *Republic Act No. 9003 or The Ecological Solid Waste Management Act of 2000*

**E. Property Registration and National Restriction**

- *Presidential Decree No. 1529: Property Registration Decree*

**F. Nationality Restrictions**

- *Republic Act No. 7042, as amended, otherwise known as the Foreign Investments Act of 1991 and Executive Order No. 65 on the Eleventh Regular Foreign Investment Negative List*

**G. Real Property Taxation**

- *Republic Act No. 7160: Local Government Code of the Philippines of 1991*

**H. Real Estate Sales on Installment**

- *Republic Act No. 6552: Realty Installment Buyer Act "Maceda Law"*

**I. Construction Licenses**

**J. Board of Investment**

**K. Special economic Zone**

**L. Competition**

- *Republic Act No. 10667: The Philippine Competition Act*

**M. Labor Laws**

- *Retirement Benefits under the Labor Code*
- *Republic Act No. 11199, the Social Security Act of 2018*
- *Republic Act No. 9679, the Home Development Mutual Fund Law of 2009*
- *Republic Act No. 10606, the National Health Insurance Act of 2013*

**N. Data Privacy**

- *Republic Act No. 10173: The Data Privacy Act of 2012 and its Implementing Rules*

## 1.6 RISKS

## RISKS FACTORS RELATING TO THE COMPANY AND ITS BUSINESS

***The Company derives a significant portion of its revenue from OFWs, expatriate Filipinos, Balikbayans and other overseas buyers, which exposes the Company to risks relating to the performance of the economies where they are located.***

The Company generates a significant portion of its revenues, particularly sales of its affordable and middle-income projects, from OFWs, expatriate Filipinos, Balikbayans and other overseas buyers. It derives approximately 40% of its pre-sales from overseas. The company's OFW customer base is largely formed of professionals, management, and services/clerical. A number of factors could reduce the number of OFWs, remittances from OFWs or the purchasing power of expatriate Filipinos, Balikbayans and other overseas buyers. These include:

- a downturn in the economic performance of the countries and regions where a significant number of these potential customers are located, such as the United States, France, Italy, the United Kingdom, Hong Kong, Japan, Korea, Taiwan, Singapore, the United Arab Emirates, Qatar and Bahrain, among others;
- a change in Government regulations that currently exempt the income of OFWs from taxation in the Philippines;
- the imposition of Government restrictions on the deployment of OFWs to particular countries or regions, such as the Middle East; and
- restrictions imposed by other countries on the entry or the continued employment of foreign workers.

Any of these events could adversely affect demand for the Company's projects from OFWs, expatriate Filipinos, Balikbayans and other overseas buyers, which could materially and adversely affect its business, financial condition, or results of operations. Considering the global impact of the COVID-19 pandemic and the Israel-Hamas conflict which resulted to the repatriations of OFWs, the Company expects a possible decline in the sale of its projects to the OFW sector.

In any case, despite the concerns about the sustainability of the overseas market, OFW remittances continued to increase from US$31.3 billion in 2017 to US$32.2 billion in 2018, and US$33.5 billion in 2019. OFW remittances in 2020 registered a slight decline to US$33.2 billion but recovered to US$34.9 billion in 2021 and further increased to US$36.2 billion in 2022 despite the COVID-19 pandemic. In 2023, OFW remittances amounted to US$33.5 billion.

To mitigate the risk, the Company procures clients from different countries. The Company has clients located in 15 different countries; hence it is not exposed to any single jurisdiction. As of 31 December 2023, 44%, 11%, 17%, 4%, 1% of the Company's sales are from Asia, Middle East, North America, Australia/Oceania, United Kingdom, and others, respectively.

***All of the Company's properties are in the Philippines and, as a result, it is exposed to risks associated with the Philippines, including the performance of the Philippine economy.***

All of the Company's properties are in the Philippines and accordingly, the Company is significantly influenced by the general state of the Philippine economy.

In the past, the Philippines experienced periods of slow or negative growth, high inflation, significant devaluation of the peso and the imposition of exchange controls. For companies in the real estate sector, demand for, and prevailing prices of, commercial and residential properties are affected by the strength of the Philippine economy (including overall growth levels and interest rates), the overall levels of business activity in the Philippines and the amount of remittances received from OFWs.

Demand for commercial and residential developments is also affected by social trends and changing spending patterns in the Philippines, which in turn are influenced by economic, political and security conditions in the Philippines.

Moreover, extensive construction of condominium and housing units and other factors could lead to the risk of formation of asset bubbles in real estate. The Philippine residential housing industry is cyclical and sensitive to changes in general economic conditions in the Philippines such as levels of employment, consumer confidence and income, availability of financing for property acquisitions, construction and mortgages, interest rate levels, inflation and demand for housing.

When the Philippines underwent financial and political crises in the past, demand for real estate dropped and consequently led to an oversupply in the market and reduced demand for new residential projects. The global financial crises, which resulted in a general slowdown of the global economy, likewise, led to a decline in property sales in the Philippines.

If changes in the Philippine property market or the Philippine economy cause a decrease in revenues from the sale of properties, significant expenditures associated with investment in real estate, such as real estate taxes, maintenance costs and debt payments, generally cannot be correspondingly reduced and therefore could materially and adversely affect the Company's business, financial condition and results of operations.

To mitigate this risk, the Company continues to adopt prudent financial and operational controls and policies within the context of the prevailing business, economic and political environments. The Company likewise continues to undertake risk management initiatives and constant monitoring of key economic and market indicators.

***The Company maybe exposed to geographic portfolio concentration risks.***

Properties located in Metro Manila, the commercial capital of the Philippines, account for material portion of the Company's real estate assets. Vertical projects are primarily located within Metro Manila and, in particular, within relatively short distances from the traditional main business districts of Makati City, Ortigas Center and Bonifacio Global City. Due to the concentration of its property portfolio in Metro Manila, a decrease in property values in Metro Manila would have a material adverse effect on its business, financial condition and results of operations.

To mitigate this risk, the Company has geographically diversified its portfolio by landbanking and launching projects outside Metro Manila including Bulacan, Pampanga, Batangas, Cavite, Laguna, Quezon Province, Bataan, Palawan, Nueva Ecija and Negros Occidental. This allows the Company to mitigate geographic concentration risk.

***Its portfolio of residential real estate property development projects exposes the Company to sector-specific risks.***

The Company's business is concentrated in the Philippine residential market. Therefore, reduced levels of economic growth, adverse changes in the country's political or security situation or weak performance of the country's property development market generally could materially and adversely affect its profitability. The Company's results of operations are dependent on the continued success of its development projects. Additionally, the Philippine real estate industry is highly competitive. The Company's projects are largely dependent on the popularity of its development when compared to similar types of developments in similar geographic areas, as well as on its ability to gauge correctly the market for its developments. Important factors that could affect the Company's ability to effectively compete include a development's relative location versus that of its competitors, particularly with regard to proximity to transportation facilities and commercial centers, as well as the quality of the developments and related facilities that it offers, pricing and the overall attractiveness of the development. The Company's inability to develop attractive projects could materially and adversely affect its business, financial conditions and results of operations.

To mitigate this risk, the Company includes a good conservative mix of recurring income portfolio to cushion venturing into commercial leasing developments to reduce its dependence on the residential market. By venturing into commercial leasing, the Company hopes to be less exposed to the business cycles inherent in residential developments.

***Since the Company operates in a competitive industry, it might not be able to maintain or increase its market share, profitability, and ability to acquire land for new projects.***

The Company operates in a competitive business environment. The entry of new competitors could also reduce the Company's sales and profit margins. The Company faces significant competition in connection with the acquisition of land for its real estate projects. Its growth depends significantly on its ability to acquire or enter into agreements to develop additional land suitable for its real estate projects. The Company may experience difficulty acquiring land of suitable size in locations and at acceptable prices, particularly land located in and near Metro Manila and in other urban areas in the Philippines. If it is unable to acquire suitable land at acceptable prices or to enter into agreements with joint venture partners to develop suitable land with acceptable returns, its growth prospects could be limited and its business, financial condition and results of operations could be adversely affected.

To mitigate this risk, the Company has strategically positioned itself to capture share in socialized, affordable, middle income, and luxury residential market segments. Furthermore, the Company strives to maintain the design and quality of its developments and is focused on being customer centric.

***The interests of joint venture partners and landowners for development projects may differ from the interests of the Company, and such joint venture partners and landowners may take actions that can adversely affect the Company.***

The Company entered into joint venture agreements and Contracts to Sell with various parties as part of its overall land acquisition strategy, property development and property management, and intends to continue to do so. Under the terms of the joint venture agreements, the Company is responsible for project development, project sales and project management, while its joint venture partners typically supply the project land. Under the terms of the Contracts to Sell, the Company shall pay the purchase value of the land on staggered basis, and in certain transactions, pay in addition proportionate payments dependent on generated sales.

A joint venture or acquisition of land via Contracts to Sell involves additional risks where the joint venture partners or landowners may have economic or business interests or goals that differ from the Company's. For example, the joint venture partners or landowners may withhold certain key information relating to the land that the Company may not be able to discover after conducting due diligence and such information could affect its right to possess and develop such land. Titles over the land, although already in the name of the joint venture partners or landowners, may still be contested by third parties. The joint venture partners or landowners may also take actions contrary to the Company's instructions or requests, or in direct opposition to its policies or objectives with respect to its investments or with respect to the project land or dispute the distribution of joint venture shares or installment payments. The joint venture partner may also not meet its obligations under the joint venture agreement. Disputes between the Company and its joint venture partners or the landowner could arise after significant capital investments in a project have been made, which could result in the loss of some or all the Company's investments in the project. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company conducts due diligence and performs contract management on its joint venture partners to reduce this risk.

***The Company uses celebrities and international brands to design, market and sell some of its properties.***

The Company maximized its collaborations with international brands, designers, and celebrities to learn the best practices in world-class design and raise its standards in customer experience and pride of ownership.

This entailed design and licensing fees, and sometimes a revenue sharing arrangement. Circumstances beyond the Company's control could decrease the popularity of the celebrities and brands with whom it partners, which could, in turn, adversely affect the Company's marketing and sales efforts and its reputation. To reduce this risk, the Company conducted due diligence and performed contract management on its partner brands.

Using its learnings, the Company has built its own homegrown brand, attaching the "Century" name to various properties including The Residences at Commonwealth by Century, Asian Century Center, Century Diamond Tower, and Century Spire.

Committing to deliver excellence above the current standard of living, PHirst Park Homes redefines "affordability" as it provides beyond what is expected in a housing community,

believing every homeowner deserves to take pride not only in where they live but also how they live. Derived from the words Philippines and First, PHirst Park Homes was built upon the dreams and aspirations of first-time homebuyers. Thus, it offers what it calls its signature "4Cs" experience for its customers: Complete Homes, Conceptive Amenities, Connected Essentials and Convenient Buying and Selling Experience.

To date, the Company has launched 20 projects that carry the PHirst Park Homes brand namely in Tanza, Cavite; Lipa, Batangas (2); San Pablo, Laguna; Pandi, Bulacan; Calamba, Laguna; Nasugbu, Batangas (4); Magalang, Pampanga; General Trias, Cavite; Baliwag, Bulacan; Tayabas, Quezon; Naic, Cavite; Balanga, Bataan; Gapan, Nueva Ecija; Bay, Laguna; Hermosa, Bataan, and Vista Alegre, Bacolod. PHirst Park Homes goes beyond being just a material house to live in but by being a strong foundation of togetherness that can be passed on from generation to generation.

***The Company may not be able to successfully manage its growth.***

The Company intends to continue to pursue an aggressive growth strategy by increasing the number of properties it develops and manages and by expanding into new market segments. However, the Company might experience capital constraints, construction delays, operational difficulties at new locations or difficulties operating existing businesses and training personnel to manage and operate its business. Any inability to adapt effectively to growth, including strains on management and logistics, could result in losses or development costs that are not recovered as quickly as anticipated or at all. These problems could have a material adverse effect on the business, financial condition, and results of operations of the Company.

To mitigate this risk, the Company studies and analyzes its total capital and human resource requirements and attempts, to the best of its abilities, to allocate resources most prudently to complete its projects on time.

***The Company is involved in a cyclical industry and is affected by changes in general and local economic conditions.***

The real estate development industry is cyclical and is significantly affected by changes in general and local economic conditions, including employment levels, availability of financing for property acquisitions, construction and mortgages, interest rates, consumer confidence and income, demand and supply of residential or commercial developments. The Philippine property market has in the past been cyclical and property values have been affected by the supply of and the demand for properties, the rate of economic growth and political and social developments in the Philippines.

Furthermore, the real estate industry may experience rapid and unsustainable rises in valuations of real property followed by abrupt declines in property values, as was experienced in the United States housing bubble from 1997 to 2006. Such real estate bubbles may occur periodically, either locally, regionally, or globally, which may result in a material adverse effect on the business, financial condition, and results of operations of the Company.

To mitigate this risk, the Company is diversifying its revenue sources by expanding its leasing portfolio and entering the affordable housing segment in addition to its current vertical housing developments and property management business.

***The Company might not be able to generate sufficient funds internally or through external financing to operate and grow its business as planned.***

The real estate business is capital intensive and requires significant capital expenditures to develop and implement new projects and complete existing projects.

Historically, while the Company has funded a significant portion of its capital expenditure requirements internally from the pre-sales of its development projects, it has periodically utilized external sources of financing. However, it might not be able to continue funding its capital expenditure requirements internally or obtain sufficient funds externally on acceptable terms or at all. Its ability to raise additional equity financing from non-Philippine investors is subject to foreign ownership restrictions imposed by the Philippine Constitution and applicable laws. Its access to debt financing is subject to many factors, many of which are outside the Company's control. For example, political instability, an economic downturn, social unrest or changes in the Philippine regulatory environment could increase the Company's costs of borrowing or restrict its ability to obtain debt financing. In addition, the disruptions in the capital and credit markets may continue indefinitely, which could adversely affect its access to financing. Inability to obtain financing on acceptable terms would adversely affect the Company's ability to operate and execute its growth strategies.

To mitigate this risk, the Company is endeavoring to broaden its sources of capital. While historically it has relied predominantly on pre-sales, receivables financing, and bi-lateral loans, it has been able to diversify its sources of financing through the equity and debt capital and syndicated loan markets.

***The cancellation of sales of housing or condominium units could adversely affect business, financial condition and results of operations.***

As a developer and seller of residential real estate, the Company's business, financial condition and results of operations could be adversely affected if a material number of housing or condominium unit sales are cancelled. Under R.A. 6552 or the Maceda Law, which applies to all transactions or contracts involving the sale or financing of real estate through installment payments, buyers who have paid at least two years of installments are granted a grace period of one month for every year of paid installments to cure any payment default. During the grace period, the buyer may pay the unpaid installments due, without additional interest. If the contract is cancelled, the buyer is entitled to receive a refund of at least 50% of the total payments made by the buyer, with an additional 5% per annum in cases where at least five years of installments have been paid (but with the total not to exceed 90% of the total payments). Buyers who have paid less than two years of installments and who have defaulted on installment payments are given a 60-day grace period to pay all unpaid installments before the sale can be cancelled, but without any right of refund.

The Company could experience a material number of cancellations, particularly during slowdowns or downturns in the Philippine economy, periods when interest rates are high or similar situations. If the Company experiences a material number of cancellations, it may not have enough funds on hand to pay the necessary cash refunds to buyers, in which case it may have to incur indebtedness to pay such cash refunds, but it might not be able to obtain debt financing on reasonable terms or at all. In addition, particularly during an economic slowdown or downturn, it might not be able to able to resell the same property at an acceptable price or at all. Any of these events could have a material adverse effect on its business, financial condition and results of operations.

If the Company experiences a material number of sales cancellations, investors are cautioned that its historical revenue from its real estate sales would have been overstated because such historical revenues would not have accurately reflected subsequent customer defaults or sales cancellations. Investors are also cautioned not to rely on the Company's historical statements of income as indicators of future revenues or profits.

The Company attempts to mitigate this risk by collecting more equity from the buyer, subject to market demands and competitive factors. A material amount of its pre-sales are sold on the basis of collecting 10% to 30% from each buyer before project completion, with some projects charging as high as 50% buyer equity. The higher equity the Company collects from the buyer, the less chance a buyer defaults since such buyer has committed more capital to the unit purchase.

The Company offers in-house financing to qualified buyers with interest rates ranging from 12% to 16%. The risk is very minimal since this payment option accounts for only 2% of the total collection and 6% of the total sold inventory.

***The Company is controlled by CPI, which is in turn, controlled by the Antonio family. Hence, the interests of the Antonio family may differ significantly from the interests of the other shareholders.***

Century Properties, Inc. ("**CPI**") was incorporated in the Philippines and registered with the SEC on 6 September 1983. The primary purpose of business of CPI is to act as property manager or as commercial, special, or general agent or representative of, and to provide management, marketing, investment and technical advice, assistance and services to corporations, associations, partnerships, firms, trustees, syndicates, individuals, combinations, organizations and other entities, whether domestic or foreign. In no case, however, shall the corporation manage the funds, securities, portfolios and similar assets of such managed entities. CPI is owned by the Antonio family.

Members of the Antonio family indirectly own a majority of the Company's issued and outstanding shares. Accordingly, the Antonio family will be able to elect a majority of the Board and determine the outcome of many significant matters voted on by shareholders. Members of the Antonio family also serve as directors and executive officers. The Antonio family could also take advantage of business opportunities that may otherwise be attractive to the Company. The interests of the Antonio family may differ significantly from or compete with the interests of the Company and the other shareholders, and the Antonio family may vote their shares in a manner that is contrary to the interests of the Company or the interests of the other shareholders. From time to time, members of the Antonio family may be involved in complaints, investigations, litigation, and negative publicity that may impact the reputation of the Company.

To mitigate this risk, the Company is continuously increasing its professional management team.

***The Company is highly dependent on certain directors and members of senior management.***

The Company's directors and members of senior management have been an integral part of its success and the experience, knowledge, business relationships and expertise that would be lost if any such persons depart or take on reduced responsibilities could be difficult to replace and may adversely affect its operating efficiency and financial performance. In

particular, members of the Antonio family fill certain key executive positions and the Company may not be successful in attracting and retaining executive talent to replace these family members if they depart or take on reduced responsibilities. Such executives include: Jose E.B. Antonio, Executive Chairman; Jose Marco R. Antonio, President and Chief Executive Officer; John Victor R. Antonio, Vice Chairman; Jose Carlo R. Antonio, Managing Director; Hilda R. Antonio, Director of the Company; Rafael G. Yaptinchay, Managing Director; and Ricardo P. Cuerva, Director of the Company and President of Century Project Management and Construction Corporation ("CPMCC") . The Company does not carry insurance for the loss of the services of any of the members of its management. If the Company loses the services of any such person and is unable to fill any vacant key executive or management positions with qualified candidates, it could have a material adverse effect on its business, financial condition, and results of operations.

To mitigate this risk, the Company has a succession plan in place.

***The Company may be unable to attract and retain skilled professionals, such as architects and engineers.***

The Company believes that there is significant demand for its skilled professionals from its competitors. Its ability to retain and attract highly skilled personnel, particularly architects, engineers and sales and marketing professionals, affects its ability to plan, design, execute, market and sell projects. In particular, any inability on the Company's part to hire and retain qualified personnel could impair its ability to undertake project design, planning, execution and sales and marketing activities in-house and could require it to incur additional costs by having to engage third parties to perform these activities.

To mitigate this risk, the Company benchmarks industry best practices in human resource management.

***The Company may not be able to hire independent contractors that meet its requirements.***

The Company relies on independent contractors to provide various services, including land clearing and infrastructure development, construction works and building, and property fitting-out works. It selects independent contractors principally by conducting tenders and taking into consideration factors such as the contractor's experience and track record, its financial and construction resources, any previous relationships with the Company and its reputation for quality. However, the Company might not be able to find a suitable independent contractor who is willing to undertake a particular project within its budget and schedule. This may result in increased costs for the Company or delays in the project. Also, the services independent contractors render might not be satisfactory or match the Company's requirements for quality. Contractors may also experience financial or other difficulties, such as shortages in, or increases in the price of, construction materials, which in turn could delay the completion of the project or increase the costs for the Company. Any of these factors could have a material adverse effect on the Company's business, financial condition, and results of operations.

To mitigate this risk, the Company prudently selects its network of accredited contractors and monitors the development of each project from project inception up to project turnover.

***Construction defects and building-related claims may be asserted against the Company, and it may be involved in litigation, which could result in financial losses or harm to its business.***

Under Philippine law, the engineer or architect responsible for the plans and specifications for a building is liable for damages if, within 15 years from the completion of the structure, it collapses by reason of a defect in those plans and specifications or due to the defects in the ground. The action must commence within 10 years following the collapse of the building. Thus, if the architect or engineer is one of the Company's employees, it may be held liable for damages if any of its buildings collapse. It may also be held responsible for hidden (that is, latent or non-observable) defects in the housing and condominium units it sells if such hidden defects render a unit unfit for the use for which it was intended or if its fitness for such use is diminished to the extent that the buyer would not have acquired it or would have paid a lower price had the buyer been aware of the hidden defect. This warranty may be enforced within six months from the delivery of the house to the buyer. In addition, the National Building Code of the Philippines (the "Building Code"), which governs, among others, the design and construction of buildings, sets certain requirements and standards that the Company must comply with. The Company may be held liable for administrative fines or criminal penalties in case of any violation of the Building Code. Likewise, it could be held liable for the damages mentioned above, the cost of repairs and the expense of litigation surrounding such claims. Claims could also arise out of uninsurable events or circumstances not covered by the Company's insurance. Significant claims arising from structural, or construction defects could have a material adverse effect on the Company's reputation and business, financial condition and results of operations. It may also be implicated in lawsuits on an ongoing basis. Litigation could result in substantial costs to, and a diversion of effort by, the Company and subject it to significant liabilities, including potential defaults under its present debt covenants. Legal proceedings could materially harm its business and reputation, and it may be unable to recover any losses incurred from third parties, regardless of whether or not the Company is at fault. Losses relating to litigation could have a material adverse effect on the Company's business, financial condition and results of operation, and provisions made for litigation related losses might not be sufficient to cover losses.

To mitigate this risk, the Company prudently selects its network of accredited contractors and monitors the development of each project from project inception up to project turnover. The Company also protects the majority of its construction interests with an all-risk insurance policy for construction.

***Third parties may contest the Company's titles to its properties.***

While the Philippines has adopted the Torrens System, a system of land registration which is intended to conclusively confirm land ownership by providing a state guarantee of indefeasible title to those in the register, and which is binding on all persons (including the Government), it is not uncommon for third parties to claim ownership of land which has already been registered in favor of another. In particular, Quezon City, Metro Manila and the province of Cavite, have been known to experience problems with syndicates of squatters (informal settlers) and forged or false title holders. There have been cases where third parties have produced false or forged title certificates over land and there are difficulties in obtaining title guarantees with respect to property in the Philippines. Title to land is often fragmented and land may have multiple owners. Land may also have irregularities in title, such as non-execution or non-registration of conveyance deeds, and may be subject to liens, encumbrances or claims of which the Company may be unaware. The difficulty of obtaining title guarantees in the Philippines means that title records provide only for presumptive rather than guaranteed title. As each transfer in a chain of title may be subject to a variety of defects, the Company's title and development rights over land may be subject to various defects of which it is unaware. For these and other reasons, title insurance is not readily available in the Philippines. Title defects

may result in the loss of the Company's title over land. From time to time, the Company may be required to defend itself against third parties who claim to be the rightful owners of land that it acquires. If third-party claims for title are brought against the Company, or if any such claim involves land that is material to its projects, it may have to devote significant time and incur significant costs in defending itself against such claims. Such claims could also affect its ability to develop land for particular projects by causing the relevant governmental authority to delay or prevent continued business operations on the property or withhold required permits or clearances until such claim is definitively resolved. In addition, if any such claims are successful, the Company may have to either incur additional costs to settle such third-party claims or surrender title to land that may be material for its projects. In addition, title claims made by third-parties against the Company or its joint venture partners may have an adverse effect on its reputation. Any of the foregoing circumstances could have a material adverse effect on the Company's business, financial condition and results of operations, as well as on the Company's reputation. Any successful claim against the Company or its joint venture partners may affect its ability to deliver its developments on time and free and clear of any liens or encumbrances.

The Company mitigates this risk, to the extent it can, by having joint venture partners indemnify the Company in the event third parties are successful in their claim. To the extent the title belongs to the Company and not its joint venture partners, it conducts very thorough due diligence on titles. Notwithstanding due diligence, to the extent there are still third party claims, the Company assesses the risks and possible solutions to eventually have titles without adverse claims.

***The Company faces risks relating to its property development, including risks relating to project costs, completion time frame and development rights.***

The property development business involves significant risks distinct from those involved in the ownership and operation of established properties, including the risk that it may invest significant time and money in a project that may not attract sufficient levels of demand in terms of anticipated sales and which may not be commercially viable. In addition, obtaining required Government approvals and permits may take substantially more time and resources than anticipated or construction of projects may not be completed on schedule and within budget. In addition, the time and costs involved in completing the development and construction of real estate projects can be adversely affected by many factors, including shortages of materials, equipment and labor, adverse weather conditions, depreciation of the peso, natural disasters, disputes with contractors and subcontractors, accidents, changes in laws, land zoning, use and classification, or In Government priorities and other unforeseen problems or circumstances, and each of these could have an adverse effect on the Company's revenues. Where land to be used for a project is occupied by tenants or squatters, the Company may have to take steps, and incur additional costs, to remove such occupants and, if required by law, to provide relocation facilities for them. Any of these factors could result in project delays and cost overruns, which could negatively affect margins and delay when it recognizes revenue. Further, failure to complete construction of a project to its planned specifications or schedule may result in contractual liabilities to purchasers and lower returns. In addition, orders of the Department of Agrarian Reform ("DAR") allowing conversion of agricultural land for development may require a project to begin by a prescribed deadline. These events could materially and adversely affect the Company's business, financial condition or results of operations.

To mitigate this risk, the Company prudently monitors the development of each stage of each project, from project inception up to project turnover, to quickly address possible cost and completion risks.

***The Company's reputation may be adversely affected if it does not complete projects on time or to customers' requirements.***

If the Company's projects experience construction or infrastructure failures, design flaws, significant project delays, quality control issues or other problems, this could have a negative effect on its reputation and make it more difficult to attract new customers to new and existing development projects. Any negative effect on its reputation could also adversely affect its ability to pre-sell its development projects. This in turn could adversely impact its capital investment requirements. Any of these events could adversely affect the Company's business, results of operations or financial condition.

To mitigate this risk, the Company prudently monitors the development of each stage of each project, from project inception up to project turnover, to quickly address possible cost and completion risks.

***The Company operates in a highly regulated environment and must obtain and maintain various permits, licenses, and other government approvals.***

The Philippines operates in a highly regulated environment and the development of subdivision, and other residential projects is subject to a wide range of government regulations, which, while varying from one locality to another, typically include zoning considerations as well as the requirement to procure a variety of environmental and construction-related permits. In addition, projects that are to be located on agricultural land must get clearance from the DAR so that the land can be reclassified as nonagricultural land and, in certain cases, tenants occupying agricultural land may have to be relocated at the developer's expense.

Presidential Decree No. 957, as amended, ("P.D. 957"), Republic Act No. 4726 ("R.A. 4726") and Batas Pambansa Blg. 220 ("B.P. 220") are the principal statutes which regulate the development and sales of real property as part of a condominium project or subdivision. P.D. 957, R.A. 4726 and B.P. 220 cover subdivision projects for residential, commercial, industrial or recreational purposes and condominium projects for residential or commercial purposes. The Department of Human Settlements and Urban Development ("DHSUD") (formerly, the Housing and Land Use Regulatory Board or "HLURB") is the administrative agency of the Government which enforces these statutes. Regulations applicable to its operations include standards regarding:

- the suitability of the site.
- road access.
- necessary community facilities
- open spaces.
- water supply
- sewage disposal systems.
- electricity supply.
- lot sizes.
- the length of the housing blocks.
- house construction.
- sale of subdivision lots or condominium units; and

- time of completion of construction projects.

All subdivision and condominium development plans are required to be filed with and approved by the local government unit ("LGU") with jurisdiction over the area where the project is located and by the DHSUD. Approval of development plans is conditioned on, among other things, completion of the acquisition of the project site and the developer's financial, technical and administrative capabilities. Alterations of approved plans that affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of (1) the relevant LGU; (2) the DHSUD; (3) for subdivisions, the duly organized homeowners' association, or if none, majority of the lot buyers; and (4) for condominiums, a majority of the registered owners. In addition, owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of subdivision lots and housing and condominium units. The DHSUD can suspend, cancel or revoke project permits and licenses to sell based on its own findings or upon complaint from an interested party. The Company is in the process of obtaining licenses to sell and building permits for some of its current projects. It may not be able to obtain these licenses and permits within the time period expected or at all.

Any of the foregoing circumstances or events could impair the Company's ability to complete projects on time, within budget or at all, or sell units in its projects, which in turn could materially and adversely affect its business, financial condition and results of operations.

To mitigate this risk, the Company's legal department closely monitors the status of the required permits and licenses of the Company to ensure compliance with applicable laws, rules and regulations.

***Environmental laws applicable to the Company's projects could have a material adverse effect on its business, financial condition or results of operations.***

In general, developers of real estate projects are required to submit project descriptions to regional offices of the Department of Environment and Natural Resources ("DENR"). For environmentally critical projects or for projects located in environmentally-critical areas as identified by the DENR, a detailed Environmental Impact Assessment may be required and the developer will be required to obtain an Environmental Compliance Certificate ("ECC") to certify that the project will not have an unacceptable environmental impact. Current or future environmental laws and regulations applicable to the Company could increase the costs of conducting its business above currently projected levels or require future capital expenditure. In addition, if a first violation of an ECC occurs or if environmental hazards on land where its projects are located cause damage or injury to buyers or any third party, the Company may be required to pay a fine, to incur costs in order to cure the violation and to compensate its buyers and any affected third parties, however, on subsequent violations, an ECC may be revoked and operations may be stopped. The Company cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of, or changes in, laws and regulations applicable to the business could materially and adversely affect the Company's business, financial condition or results of operations.

To mitigate this risk, the Company's legal department closely monitors the status of the required permits and licenses of the Company to ensure compliance with environmental regulations.

***Natural or other catastrophes, including severe weather conditions, may materially disrupt operations, affect the ability to complete projects and result in losses not covered by insurance.***

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, floods, droughts, volcanic eruptions and earthquakes. Natural catastrophes may disrupt business operations and impair the economic conditions in the affected areas, as well as the overall Philippine economy. These factors could have significant adverse effects on the Company's development projects, which may be susceptible to damage. Damages resulting from natural catastrophes could also give rise to claims against the Company from third parties or from customers, for example, for physical injury or loss of property. As a result, the occurrence of natural or other catastrophes or severe weather conditions may adversely affect its business, financial condition and results of operations.

Furthermore, the Company cannot obtain insurance at a reasonable cost or at all for certain types of losses from natural and other catastrophes. Neither does it carry any business interruption insurance. If an uninsured loss or a loss in excess of insured limits occurs, it could lose all or a portion of the capital invested in a property, as well as the anticipated revenue from such property, and incurs liabilities for any project costs or other financial obligations related to the business. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

To mitigate this risk, the Company requires its contractors to maintain contractors' all-risk insurance for the duration of the development of its projects. The Company requires its contractors to provide a warranty on their respective works.

***The Company uses third-party non-exclusive brokers to market and sell some of its projects.***

Although exclusive sales agents are responsible for a significant portion of the Company's sales, it also uses third-party non-exclusive brokers to market and sell some of its residential housing developments to potential customers inside and outside the Philippines. These brokers may also act as brokers for other developers in the same markets in which the Company operates, and they may favor the interests of their other clients over the Company's interests in sale opportunities, or otherwise fail to act in the Company's best interests. There is competition for the services of third-party brokers in the Philippines, and many of the Company's competitors either use the same brokers as it does or attempt to recruit brokers away from it. If a large number of these third-party brokers were to terminate or breach their brokerage agreements, the Company would need to seek other third-party brokers and it may not be able to do so quickly or in sufficient numbers. This could disrupt its business and negatively affect the Company's business, financial condition or results of operation.

To mitigate this risk, all of the material sales of the Company are coursed and booked through the Company's in-house sales team, who are Company employees thus having more control of its distribution network.

***The Company is exposed to risks relating to the ownership and operation of commercial real estate.***

The Company is subject to risks relating to ownership and management of commercial real estate. Specifically, the performance of its subsidiary CPMI could be affected by a number of factors, including:

- the national and international economic climate;
- trends in the commercial property industry;
- changes in laws and governmental regulations in relation to real estate;
- Increased operating costs;
- the inability to collect rent due to bankruptcy of tenants or otherwise;
- competition for tenants;
- changes in market rental rates;
- the need to periodically renovate, repair and re-let space and the costs thereof;
- the quality and strategy of management; and
- the Company's ability to provide adequate maintenance and insurance

The Company could be further affected by tenants failing to comply with the terms of their leases or commitments to lease, declining sales turnover of tenants, oversupply of or reduced demand for commercial space or changes in laws and governmental regulations relating to real estate including those governing usage, zoning, taxes, and government charges. If the Company is unable to lease the properties that it owns or manages in a timely manner, or collect rent at profitable rates or at all, this could have a material adverse effect on its business, financial condition and results of operations.

To mitigate this risk, CPMI conducts stringent screening procedures on potential tenants.

***Increases in interest rates and changes in Government borrowing patterns and Government policies could adversely affect the Company's and its customers' ability to obtain financing.***

Increases in interest rates, and factors that otherwise impair the availability of credit, such as the Government's fiscal policy, could have a material adverse effect on the Company's business and demand for its property developments. For example:

- Higher interest rates make it more expensive for the Company to borrow funds to finance current projects or to obtain financing for new projects.
- Access to capital and the cost of financing are also affected by restrictions, such as the single borrower limit imposed by the BSP on bank lending. The total amount of loans, credit accommodations and guarantees that may be extended by a bank to any person, partnership, association, corporation or other entity shall at no time exceed 25% of the net worth of such bank. This may be increased by an additional 10% of the net worth of the bank provided that the additional liabilities are secured by trust receipts, shipping documents, warehouse receipts or other similar documents transferring or securing title covering readily marketable, non-perishable goods which must be fully covered by insurance. If the Company reaches the single borrower limit with respect to any bank, it may have difficulty obtaining financing with reasonable interest rates from other banks.
- Because a substantial portion of customers procure financing to fund their property purchases, higher interest rates make financing, and therefore purchases of real

estate, more expensive, which could adversely affect demand for the Company's residential developments.

- Increases in Government borrowing in the domestic currency market could increase the interest rates banks and other financial institutions charge and reduce the amount of financing available to the Company and prospective property purchasers of its property.
- Increased inflation in the Philippines could result in an increase in the costs of raw materials, which the Company may not be able to pass on to customers through increased prices.
- Increases in the Government's budget deficit could increase interest rates and inflation, which could in turn have a material adverse effect on its customers' ability to obtain financing on attractive terms.
- The occurrence of any of the foregoing events could have a material adverse effect on the Company's business, financial condition, and results of operations.

To mitigate this risk, the Company enters into long term financing to reduce its reliance on shorter term financing. This will allow the Company to further reduce the potential variability in interest rates. The Company also continuously seeks the accreditation of its projects with various financial institutions to provide its customers with financing options.

***Any restriction or prohibition on the Company's Subsidiaries' ability to distribute dividends would have a negative effect on its financial condition and results of operations.***

As a holding company, the Company conducts its operations through its Subsidiaries. As a result, it derives substantially all of its revenues from dividends from its Subsidiaries. It relies on these funds for compliance with its own obligations and for financing its Subsidiaries. Further, the ability of its Subsidiaries to upstream dividends is subject to applicable laws and may be subject to restrictions contained in loan agreements and other debt instruments they are party to.

Any restriction or prohibition on the ability of any of the Subsidiaries to distribute dividends or make other distributions to the Company, either due to regulatory restrictions, debt covenants, operating difficulties or other limitations, could have a negative effect on its cash flow or therefore may adversely impact its financial condition and results of operations.

To manage this risk, the Company's Subsidiaries have regularly been distributing dividends out of its unrestricted retained earnings and as excess cash becomes available.

***Adoption of New Accounting Standards might have an impact on the financial statements.***

*Adoption of Accounting on Uncertainty*

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12 and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities

- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances.

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The Group made a reassessment of all of its tax treatments and has determined that there are no uncertainties involved in the computation of its current and deferred taxes.

*Adoption of Borrowing Costs, Borrowing Costs Eligible for Capitalization*

Real estate entities classify their sold real estate properties (i.e. installment contracts receivable and contract assets) and unsold real estate properties (i.e. real estate inventories) which are not yet substantially completed as qualifying assets. Accordingly borrowing cost is capitalized until such qualifying assets are substantially completed.

In March 2019, the IFRS Interpretations Committee (the "Committee") issued IFRIC Update summarizing the decisions reached by the Committee in its public meetings. The March 2019 IFRIC Update includes the Committee's Agenda Decision on the capitalization of borrowing cost on over time transfer of constructed goods. The IFRIC Agenda Decision clarified whether borrowing costs may be capitalized in relation to the construction of a residential multi-unit real estate development (building) which are sold to customers prior to start of construction or completion of the development.

Applying paragraph 8 of PAS 23, Borrowing Cost, an entity capitalizes borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of that asset. Paragraph 5 of PAS 23 defines a qualifying asset as "an asset that necessarily takes a substantial period of time to get ready for its intended use or sale". Under the March 2019 IFRIC Update, the Committee clarified that the related assets that might be recognized in the real estate company's financial statements (i.e., installment contract receivable, contract asset, or inventory) will not qualify as a qualifying asset and the corresponding borrowing cost may no longer be capitalized.

On 11 February 2020, the SEC issued Memorandum Circular No. 4, Series of 2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until 31 December 2020. Effective 1 January 2021, the Real Estate Industry will adopt the IFRIC agenda decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full, with the requirements of the IFRIC agenda decision.

For real estate companies that avail of the deferral, the SEC requires disclosure in the Notes to the Financial Statements of the accounting policies applied, a discussion of the deferral of the subject implementation issues, and a qualitative discussion of the impact in the financial statements had the IFRIC agenda decision been adopted.

On 15 December 2020, the SEC issued Memorandum Circular No. 34, Series of 2020 providing relief to the real estate industry by referring the application of provision PIC Q&A No. 2018-12 with respect for the accounting for significant financing component and the exclusion of land in the calculation of percentage of completion POC and IFRIC Agenda Decision on

Over Time Transfers of Constructed Goods under PAS 23-Borrowing Costs, for another period of three (3) years until 2023.

The Group opted to avail of the relief as provided by the SEC. Had the Group adopted the IFRIC agenda decision, borrowing costs capitalized to real estate inventories related to projects with preselling activities would have been expensed out in the period incurred. This would result in decrease in retained earnings as of 1 January 2017 and net income for 2018 and 2017.

***The Company is subject to certain debt covenants.***

The Company has certain loan agreements, which contain covenants that limit its ability to, among other things:

- Incur additional long-term debt to the extent that such additional indebtedness results in a breach of the required debt-to-equity ratios;
- Materially change its nature of business;
- Encumber, mortgage or pledge some of its assets; and
- Pay out dividends in the event debt payments are in arrears and such debt payments will result in the breach of its required current and debt-to-equity ratios.

Complying with these covenants may cause the Company to take actions that it otherwise would not take or not take actions that it otherwise would take. The Company's inability and/or failure to comply with these covenants would cause a default, which, if not waived could result in the debt becoming immediately due and payable. In the likelihood of this event, the Company may not be able to repay or refinance such debt on terms that are acceptable to it or at all.

To mitigate this risk, the Company adopts the necessary internal controls in its financial management and corporate governance policies in order to comply with its debt covenants.

***The Company may, at any given time, consider business combination alternatives.***

Although some of the Company's debt covenants contain certain restrictions on business combinations, it may consider engaging in certain types of business combinations. Business combinations involve financial and operational risks and could result in critical changes to the Company's business, management and financial condition.

To manage this risk, the Company takes into consideration its existing debt obligations and corresponding debt covenants before it pursues any major business investments or acquisitions. Further, prior to undertaking any business combination, the Company assesses and attempts to mitigate the business and financial risks, which may include the hiring of third party legal and financial consultants.

***The Company is exposed to interest rate, liquidity, credit, currency and commodity risks.***

The Company's principal financial instruments consist of cash on hand and in banks, cash equivalents, receivables from installment sales and due from and to affiliated companies and credit facilities from commercial banks. It uses these financial instruments to fund its business operations. The Company has entered into Master Agreements under the International Swaps and Derivatives Association Inc. with third parties.

The Company believes that the principal risks arising from its financial instruments are interest rate risk, liquidity risk, credit risk, commodity risk and currency risk.

*Interest Rate*

Fluctuations in interest rates could negatively affect the potential margins in respect of the Company sales of receivables and could make it more difficult for the Company to procure new debt on attractive terms or at all. The Company does not engage in interest rate derivative or swap activities to hedge its exposure to increases in interest rates. To mitigate this risk, the company is balancing the mix of its floating and fixed rate funding sources.

Fluctuations in interest rates also have an effect on demand for the Company's products. As most of its customers obtain some form of financing for their real estate purchases, increases in interest rate levels could adversely affect the affordability and desirability of the Company's subdivision lots and housing and condominium units. To mitigate the risks, the company factors in its costing and pricing provisions to for flexibility that will cushion possible impact of adverse interest movements affecting buyers' purchasing power.

*Liquidity*

The Company faces the risk that it will not have sufficient cash flows to meet its operating requirements and financing obligations when they become due. The Company manages its liquidity profile by pre-selling housing projects. In addition, the Company's receivables backed credit facilities with banks and other financial institutions under the terms of which the Company, from time to time, assign installment contract receivables on a "with recourse" basis. The Company is typically required to replace receivables assigned on a "with recourse" basis if the property buyer fails to pay three consecutive installments or when the sale is otherwise cancelled. If the Company is unable to maintain its credit lines with banks and other financial institutions, it may not have sufficient funds to meet its operational requirements.

To mitigate this risk, the Company is endeavoring to broaden its sources of capital that will approximate the related project and overall company liquidity cycle. The company also puts in place, standby funding facilities.

*Credit Risk*

The Company is exposed to credit risk from defaults by purchasers on their mortgages during the pre-sale periods for its properties. In 2007, the Company began to guarantee the mortgages of purchasers of uncompleted projects. Accordingly, if a purchaser who has a mortgage on an uncompleted project defaults on the mortgage, and the Company is not able to find a replacement purchaser, or if the Company fails in an undertaking with the bank, including delivering the property and title to such property within the mutually agreed period, the Company is obligated to pay the mortgage.

The Company mitigates this risk by completing projects on time and providing mortgage banks collateral documents promptly.

*Commodity Price Risk*

The Company is exposed to the risk that prices for construction materials used to build its properties (including timber, cement and steel) will increase. These materials are global commodities whose prices are cyclical in nature and fluctuate in accordance with global market conditions. The Company and its Subsidiaries are exposed to the risk that they may not be able to pass increased commodities costs to customers, which would lower their margins. The Company does not engage in commodity hedging, but the Company attempts to manage its commodity risk by requiring its internal procurement group to supply raw materials for the relevant construction and development projects, at quantities enough to complete commitment for a reasonable time, i.e. neither long nor short positioning of commodities needed.

*Currency Risk*

Financial assets and credit facilities of the Group, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso. The Group does not have any foreign currency-denominated debt nor material foreign currency denominated assets. As such, the Group's foreign currency risk is minimal.

***The Company may suffer losses that are not covered by its insurance.***

The Company may be negatively affected due to the occurrence of typhoons, severe storms, earthquakes, floods, fires or other natural disasters or similar events. Although the Company carries an all-risk insurance policy for all its current and ongoing projects against catastrophic events and business interruption insurance for Century City Mall, in amounts and with deductibles that the Company believes are in line with general real estate industry practice, not all risks can be insured against. There are losses for which the Company cannot obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property as well as the anticipated future turnover from the property. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

The Company requires its contractors to provide a warranty on their respective works.

In addition, the Company's employees are covered by a Health Maintenance Program with built-in insurance coverage under Maxicare and Group Life Insurance under Sunlife, on top of the government mandated Philhealth Benefit Packages for COVID-19 and the Philippine Social Security System's sickness benefit.

## 1.7 RISKS RELATING TO THE PHILIPPINES

***Substantially all of the Company's business activities and assets are based in the Philippines, which exposes it to risks associated with the country, including the performance of the Philippine economy.***

Historically, the Company has derived all of its revenues from the sale of real estate and the management of properties in the Philippines and, as such, its business is highly dependent on the state of the Philippine economy. Demand for residential real estate is directly related to the strength of the Philippine economy (including its overall growth and income levels), the overall levels of business activity in the Philippines. Factors that may adversely affect the Philippine economy include:

- decreases in business, industrial, manufacturing or financial activities in the Philippines, the Southeast Asian region or globally;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines, the Southeast Asian region or globally;
- foreign exchange rate volatility;
- rising inflation and interest rates;
- levels of employment, consumer confidence and income;
- changes in the Government policies;
- natural disasters such as tsunamis, typhoons, earthquakes, fires and floods;
- political instability, terrorism or military conflict in the Philippines, other countries in the region or globally; and
- other regulatory, social, political or economic developments in or affecting the Philippines.

If the Philippine economy experiences weakness due to any of the foregoing or other reasons, it could materially and adversely affect business, financial condition or results of operations.

The Company has survived major economic and political crises brought about by domestic and international developments through the implementation of its core strategies.

To mitigate the risks identified below, constant monitoring of the key economic and market indicators allows the Company to detect risk exposures and react to the external environment appropriately. Although there is no assurance that the Company will be able to fully overcome the adverse effects of any or all crisis, it has in place a system of financial prudence and corporate governance that provides the foundation for its risk management initiatives.

***Any economic and political instability in the Philippines may adversely affect business, results of operations or financial condition.***

Following the 2022 elections, Ferdinand Marcos Jr. was elected as the 17$^{th}$ President of the Philippines, following former Pres. Rodrigo Roa Duterte. The presidency of President Marcos commenced on 30 June 2022. President Marcos' campaign promised the broad continuity of former President Duterte's plans of developing infrastructure, strengthening foreign policy, and focusing on the growing the country's local agricultural industry.

Based on the World Bank's June 2023 update, the growth of the Philippine economy will be driven by strong domestic demand despite weak external conditions. For the first and second quarters of 2023, GDP growth registered at 6.4% and 4.3%, respectively.

Growth drivers will include the Business Process Outsourcing ("BPO") sector and tourism. The Asian Development Bank said a low unemployment rate, the sustained rise in remittances, and increased public investments in infrastructure will also contribute much to the Philippines' growth.

The average inflation rate for 2022 is at 5.8% compared to only 3.9% average inflation rate in 2021.

Even as the various political and economic changes continue to propel growth, to manage this risk, the Company still intigrates sound business practices in its management to minimize adverse impact of any political and/or economic instability with the ability of the company to continue with its business.

***Acts of terrorism and violent crimes could destabilize the Philippines and have a material adverse effect on business and financial results.***

Terrorists are very likely to try to carry out attacks in the Philippines. Terrorist groups continue to plan attacks and have the capacity and the intent to carry out attacks at anytime and anywhere in the country, including in the capital Manila and in places visited by foreigners, such as airports, shopping malls, public transport, including the metro system and places of worship. Attacks have been carried out using improvised explosive devices and small arms.

Terrorist groups have threatened to attack passenger ferries and other vessels, particularly those operating from Mindanao.

The considerable heightened threat of terrorist attacks in the Philippines posts risk to our economy, may adversely affect business, its operations, financial conditions, and results.

The Company's affordable housing projects are situated in non-dense sub-urban areas far from the known high-risk insurgent camps or potentially war-torn areas. In any case, to mitigate this risk, the Company constantly monitors such threats which allows the Company to detect risk exposures and react to the external environment appropriately.

***The credit ratings of the Philippines may adversely affect the Company's business.***

Directly and adversely affecting companies' resident in the Philippines is a credit rating used by sovereign wealth funds, pension funds and other investors to gauge the credit worthiness of Philippines thus having a big impact on the country's borrowing costs. This includes the government debt credit rating for Philippines as reported by major credit rating agencies. The ratings are based on a forward-looking macroeconomic model which takes into account several leading economic indicators and financial markets.

In November 2022, Standard & Poor Ratings Group ("S&P") affirmed the Philippines credit outlook to positive, while affirming the country's current credit rating at 'BBB+' for long-term and 'A-2' for short-term. A long-term credit rating of 'BBB' puts the Philippines at an adequate investment grade, although adverse economic conditions could weaken the country's ability to meet its financial obligations. On the other hand, the country's 'A-2' short-term rating means that the Philippines has a satisfactory chance of meeting its short-term financial obligations. S&P based its current report on the government's fiscal policies, including the Comprehensive Tax Reform Program ("CTRP"), which is intended to fund the administration's "Build, Build, Build" program. Change in ratings depends on the government's fiscal reform program over

the course of the next twenty-four (24) months, if the reform agenda has been achieved or stalls, if the recalibrated fiscal program leads to higher-than-expected net general government debt levels, or if deem that policymaking settings have otherwise regressed against expectations. On 30 April 2019, S&P raised the Philippines sovereign long-term credit rating to BBB+, which is its highest rating to date. According to S&P, the upgrade was made on the basis of the Philippines' consistent economic growth, solid fiscal accounts, and good position in the external environment. S&P stated that with the enactment of the first package of the CTRP under TRAIN Act, finances are expected to remain sustainable while the country addresses pressing infrastructure needs.

Moody's credit rating for Philippines was last set at Baa2 with stable outlook in December 2014 and was affirmed last March 2023 while in May 2023, Fitch's credit rating for Philippines was last reported at BBB with stable outlook.

Any uncertainties, moreover downgrade, could have adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including the Company, to raise additional financing and the interest rates and other commercial terms at which such additional financing will be made available.

***Natural or other catastrophes, including severe weather conditions, may materially disrupt the Company's operations, affect its ability to complete projects and result in losses not covered by its insurance.***

The Philippines is subject to frequent seismic activity. From 2019 to 2022, there were thirteen (13) large known earthquakes in the Philippines, with magnitudes ranging from 5.6 to 7.1. On 27 July 2022, a powerful 7.1 magnitude earthquake struck the province of Abra, killing at least 5 people, injuring at least 64, and damaging more than a hundred buildings and structures. On 12 August 2021, an earthquake with a magnitude of 7.1 struck the islands of Mindanao, though no damages or injuries were reported.

The Philippines also experiences occasional volcanic eruptions. Last January 2020, the Taal Volcano erupted again after forty-two (42) years. The eruption affected thousands of families and caused widespread damage in the aftermath. Although immediate ash fall clean-up and disposal operations were conducted, the continued activity of the Taal Volcano forced the affected LGUs (especially those in close proximity to the Taal Volcano) to impose restrictions to movements within their respective territorial jurisdictions. As a result of this, business operations within the vicinity of the volcano were severely affected and interrupted. Businesses and properties which are farther likewise experienced minor interruptions primarily due to ashfall. On 26 March 2022, the Taal Volcano erupted again, resulting to PHIVOLCS issued an Alert Level 3 and recommended the immediate evacuation of residents in the surrounding area. While the Taal Volcano has a classification of Alert Level 1 currently, in September 2023, it spewed above average sulfur dioxide and volcanic smog, prompting authorities to close schools in dozens of cities and towns and to urge people to stay indoors.

Approximately twenty (20) tropical cyclones enter the Philippine Area of Responsibility yearly, an area which incorporates parts of the Pacific Ocean, West Philippines Sea and the Philippine Archipelago (with the exception of Tawi-Tawi province). Among these cyclones, ten (10) will be typhoons, with five (5) having the potential to be destructive ones. The Philippines is "the most exposed country in the world to tropical storms" according to a Time Magazine.

Super Typhoon Karding made landfall in Luzon on 15 September 2022, affecting more than 714,200 people. The DAR reported around ₱1.97 Billion's worth of agricultural damage since the storm hit 148,091 hectares of farmlands.

There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Company's operations. These factors, which are not within the Company's control, could potentially have significant effects on the Company's development projects, many of which are large infrastructure, such as buildings, which are susceptible to damage. Damage to structures resulting from such natural catastrophes could also give rise to claims against the Company from third parties or from customers, for example for physical injuries or loss of property. As a result, the occurrence of natural or other catastrophes or severe weather conditions may adversely affect the Company's business, financial condition and results of operations. Further, the Company does not carry any insurance for certain catastrophic events, and there are certain losses for which the Company cannot obtain insurance at a reasonable cost or at all. The Company also does not carry any business interruption insurance. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property, as well as the anticipated future turnover from such property, while remaining liable for any project construction costs or other financial obligations related to the property. Any material uninsured loss could materially and adversely affect the Company's business, operations, financial condition and results.

## 1.8 CORPORATE SOCIAL RESPONSIBILITY

CPGI remained steadfast in its commitment to corporate social responsibility (CSR) initiatives throughout 2023, ensuring that its CSR efforts thrived with combined efforts from its subsidiaries and people. Below are the notable CSR initiatives undertaken by CPG and its subsidiaries in 2023.

**Blood-letting Activity**
Spearheaded by the Human Resources and Administration Group in partnership with the Philippines Red Cross, CPG facilitated a blood-letting activity on July 5th, collecting 40 blood units from donor employees. The company has been a regular participant in the organization's blood donation activities, aiding in meeting the increasing demand for blood and augmenting the national blood requirement.

**Brigada Eskwela**
In support of the Department of Education, PHirst Park Homes, the First-Home Segment of CPG, through the HR and Administration group, supported the renovation of the female washroom facilities of Andres A. Nocon National High School in General Trias, Cavite, and donated 200 school kits to the students. This initiative aimed to ease the burden on families and help students prepare for the academic year, with a total allocation of P182,000.

**Tree Planting**
On August 25th, PHirst volunteers planted 100 Mahogany tree saplings in various project locations, leaving a lasting positive impact on the surroundings and fostering a sense of unity and environmental responsibility.

**Novotel Suites Manila at Acqua**
Century Properties' first hospitality venture, Novotel Suites Manila at Acqua, opened its doors to the public in December 2022 and held its grand launch in November 2023. Since then, Novotel has been actively contributing to the welfare of its community in various ways.
Donation to PAWS (Philippine Animal Welfare Society)

In September 2023, Novotel Suites Manila at Acqua partnered with PAWS to support the organization's causes. For every 'petstaycation' booking, the hotel donates P100 from the Pet Fee, assisting PAWS in financing food and medicines for its rescued animals.
Hiring of Local Community Residents

To provide more job opportunities and support the community where Novotel Suites Manila at Acqua is located, the hotel began hiring local residents as housekeeping room attendants and food & beverage staff. This initiative, in coordination with the Barangay Captain's office, aims to alleviate joblessness and further empower the community. Currently, the hotel has two (2) staff members assigned in housekeeping and two (2) more in the F&B department.

Under CPG's subsidiary Century Properties Management Inc., Century City Estates has been at the forefront of CSR efforts, recognized by local government units for its valuable contributions to various important programs.

**Brigada Eskwela**
As a consistent partner of the Department of Education's Brigada Eskwela, Century City Estates volunteers helped prepare schools for the upcoming academic year. Volunteers gathered on August 19th and September 28th, 2023, at Makati Elementary School, Palanan Elementary School, Nicanor Garcia Elementary School, and Margarita Roxas De Ayala

Elementary School, working diligently to clean the surroundings and contributing cleaning materials and school supplies.

**Clean Up Drive**
Volunteers from Century City Estates actively participated in a Mega Clean-up drive on September 19, 2023, at PNR Creek in Brgy. Pio del Pilar, Makati City, as part of the International Coastal Clean-up Celebration. They tirelessly removed litter and debris, promoting environmental awareness and community involvement.

**Tree Planting**
Century City Estates volunteers, along with employees from other CPG properties, partnered with the Million Trees Foundation Inc. for a Tree Planting activity on September 23, 2023, at the La Mesa Watershed Reservation in Quezon City. This contribution to reforestation, conservation, and protection of critical watersheds in the Philippines was acknowledged and celebrated by the Million Trees Foundation.

## ITEM 2. PROPERTIES

### 2.1 OVERVIEW

Currently, the Company is developing 27 master-planned communities that is expected to have 31 condominiums with 18,299 units, 1,410 single detached homes, and 24,583 horizontal houses, with a total expected GFA of 2,749,782 sq. m and commercial leasing projects with 145,021 sq. m of GLA. Among these master-planned communities are:

***Century City*** – A 3.4-hectare mixed-use project in Makati City with eight (8) buildings covering a total planned GFA (with parking) of 643,176 sq.m. The Company completed The Gramercy Residences, The Knightsbridge Residences, Century City Mall, Centuria Medical Makati, The Milano Residences and Trump Tower. Century Diamond Tower, an office building, was completed in 2019. Century Spire, designed by world renowned architect Daniel Libeskind and interior designed by Giorgio Armani S.P.A., was also completed in October 2022.

***Acqua Private Residences*** – Located in Mandaluyong City, this development is comprised of six (6) towers with views of the Makati City skyline and will feature a country club with fitness, retail, dining and entertainment facilities, as well what is expected to be the first riverwalk promenade in the Philippines. There are five (5) towers completed; namely: Niagara, Sutherland, Detifoss, Livingstone, and Iguazu. Acqua 6, the last tower, was completed in September 2019. As of the December 31, 2023, all towers of Acqua Private Residences have been completed.

***Azure Urban Resort Residences*** – CPGI's first property in the affordable market segment, Azure Urban Resort Residences is a nine (9)-building residential property set on six (6) hectares in Parañaque City. The development features the first man-made beach in an urban residence in Manila and a beach club designed by Paris Hilton. The nine (9) towers have been completed, namely: Rio, Santorini, St. Tropez, Positano, Maui, Miami, Maldives, Boracay and Bahamas.

***The Residences at Commonwealth*** – It is a 4.4-hectare project of CPGI and its first master-planned residential community development in Quezon City. The eight (8)-tower project will rise in Commonwealth Avenue within the vicinity of a shopping center, top schools, techno hubs, churches and major thoroughfares. The Commonwealth by Century residential package

includes livable unit layouts with extended balconies, distinctive amenities that encourage outdoor and holistic social interaction, a community with open spaces, greenery and waterscapes; and round the clock safety and security systems for the peace of mind of all residents. The project's unique architectural design, spacious unit layouts and pioneering amenities aim to redefine the standards of living in Quezon City. All of the eight (8) towers have already been completed; namely, Osmeña West, Quezon North, Roxas East, Osmeña East, Roxas West, Quirino West, Quirino East and Quezon South.

***PHirst Park Homes*** – It is the first-home division and brand of the CPGI. Its maiden project located along Governor's Drive, Barangay. Tanauan, Tanza, Cavite, is a three (3)-phase horizontal residential property, which offers both townhouse units & single attached units. The development covers a total of 2,877 houses currently valued at ₱4.8 Billion. PHirst Park Homes has also launched a 20-hectare development in Lipa, Batangas with 1,698 houses, presently valued at ₱2.9 Billion, in the second quarter of 2018 and the 18-hectare development in San Pablo, Laguna with 1,624 houses, now valued at ₱2.9 Billion, launched in March 2019. PHirst Park Homes Pandi launched in October 2019, with 1,598 houses valued at ₱3.1 Billion. PHirst Park Homes Calamba was launched in November 2019 with 1,501 houses now valued at ₱2.8 Billion. PHirst Park Homes Batulao (Nasugbu) was launched in December 2019, with 2,150 houses presently valued at ₱5.3 Billion. PHirst Park Homes Magalang was launched in November 2020, with 1,079 houses currently valued at ₱2.0 Billion. PHirst Park Homes Gen. Trias, PHirst Park Homes Tayabas, and PHirst Park Homes Baliwag were launched in July to August 2021, with 1,485 houses now valued at ₱3.2 Billion; 1,486 houses currently valued at ₱2.5 Billion; and 1,080 houses presently valued at ₱2.0 Billion, respectively. In 2022, the Company launched PHirst Park Homes Naic, PHirst Park Homes Balanga and PHirst Park Homes Gapan with 1,190 houses valued at ₱2.2 Billion, 732 houses valued at ₱1.2 Billion and 546 houses valued at ₱1.0 Billion, respectively. Three (3) new segments under PHirst was also launched in December 2022. PHirst Editions located in Nasugbu, Batangas with 629 houses valued at ₱3.3 Billion; PHirst Sights in Bay Laguna with 1,816 houses valued at ₱2.1 Billion and PHirst Centrale in Hermosa, Bataan with 528 houses valued at ₱1.0 Billion and 21 commercial lots at ₱0.6 Billion. In 2023, Phirst Park Homes Lipa Cove in Lipa Batangas, Phirst Park Homes Bacolod, in Vista Alegre Bacolod, Phirst Park Homes Batulao West and Phirst Batulao Impressions in Nasugbo Batangas, where launched from May to December 2023, with 396 houses valued at ₱0.6 Billion, 756 houses valued at ₱1.3 Billion, 496 houses valued at ₱2.5 Billion and 916 houses valued at ₱1.8 Billion, respectively.

***The Resort Residences at Azure North*** – CPGI's first development in Pampanga and outside of Metro Manila. This eight (8)-hectare mixed-use development replicates the developer's success with the Azure Urban Resort Residences in Bicutan, Parañaque, through its concept of beachfront living in the city.

With plans for condominium towers, townhouse clusters, office towers, and a retail boardwalk, Azure North is located on the western side of the North Luzon Expressway, close to the existing retail complexes. Each residential cluster will again be named after famous beaches around the world, namely Monaco, Bali, and Barbados. In addition to the beach, its water features will include various pools for children and adults. Amid these will be a pool bar, a beach club, a multi-purpose event space, and a centerpiece called the Azure North Island, which will be offered for private events and gatherings. Monaco and Bali towers were completed in 2021. Barbados, the third high rise tower, is expected to be completed in 2025.

***Commune Village at Batulao*** – Commune Village is a 6.5-hectare horizontal residential development located in Nasugbu, a nurturing middle ground that is ideal for those who love

the cool vistas of Tagaytay and the welcoming beaches of Batangas. Nestled on the foothills of Mt. Batulao, Commune Village features livable spaces called Polygonal Successions and Hedera home. New home models Kaizen and Sansa are also being offered in Commune Village. A fresh take on minimalist design, updated with the new living preferences of buyers in mind.

It is anchored on 4 pillars: Integrated, Connected, Accessible, and Sustainable. The community has features that can reduce maintenance costs and increase the vitality of the community – from solar-powered streetlights and water pumps that reduce power consumption. Plans are also well underway for recreational and retail establishments that cater to a broader range of cultural preferences and that will further increase the commercial value of its land.

The community is a 1.5 to 2-hour drive from Makati via 4 access points through: (1) Daang Hari Road towards the scenic Nasugbu-Kaybiang Tunnel; (2) Star Tollway to Tanauan Exit; (3) South Luzon Expressway (SLEX); and (4) Cavite Expressway (CAVITEX).

***Century PHirst Corporation*** – On 23 February 2023, CPGI announced the expansion of its first home market residential offerings through Century PHirst Corporation (CPC), a wholly-owned subsidiary of Century Limitless Corporation (CLC). Through CPC, CPGI will, by itself, be venturing into the socialized, economic, and mid-income residential markets. CLC is a wholly owned subsidiary of CPGI.

CPC's flagship projects are: (1) PHirst Editions Batulao located in Nasugbu, Batangas, which was launched in October 2022; (2) PHirst Sights Bay in Laguna, which was launched in December 2022; and (3) PHirst Centrale Hermosa in Bataan, which was launched in December 2022 (PHirst Fairgrounds) and May 2023 (PHirst Impressions).

In addition, the Company has completed Asian Century Center in 2018, an office development project in Bonifacio Global City, in partnership with Asian Carmakers Corporation.

The Company's land bank for future development consists of properties in Quezon City, Pampanga, Palawan, Batangas, Laguna, Bulacan, Cavite, Bataan, Nueva Ecija and Bacolod City that cover a total site area of 252.1 hectares.

The Company, through its subsidiary CPMI, also engages in property management services and facilities management. CPMI manages 64 projects with a total of 97 buildings and 7.56 million sq. m. of GFA (inclusive of parking) as of 31 December 2023, including properties such as One Corporate Center and Union Bank Plaza in Ortigas, Pacific Star Building in Makati City, Philippine National Bank branches in various locations, National Grid Corporation of the Philippines in Quezon City and San Juan City, The Globe Tower in Cebu and De La Salle University in Lipa City, Singapore Embassy. Of the total CPMI's projects under management, 63% of the properties were not developed by the Company, underscoring CPMI's reputation in the market.

The Company has marketed and sold to clients in more than 15 countries and, as a result, significant portions of its residential properties are sold to Filipinos living abroad. International pre-sales accounted for approximately two-thirds of the total pre-sales, in terms of value, for each of the last three (3) years. The Company conducts its sales and marketing through the Company's extensive domestic and international network consists of 3,976 agents which include 3,287 commission-based agents and 689 subsidized as of 31 December 2023.

## 2.2 COMPLETED PROJECTS AS OF DECEMBER 31, 2023

| Residential Projects | Location | Type | GFA in sq.m. (with parking) | Units | Year Completed |
|---|---|---|---|---|---|
| **Century City** | | | | | |
| Gramercy Residences | Makati City | Residential | 121,595 | 1,433 | 2012 |
| Knightsbridge Residences | Makati City | Residential | 87,717 | 1,329 | 2013 |
| Milano Tower | Makati City | Residential | 64,304 | 516 | 2016 |
| Trump Tower | Makati City | Residential | 55,504 | 267 | 2017 |
| Century Spire | Makati City | Residential/ Office | 92,138 | 552 | 2022 |
| ***Subtotal*** | | | ***421,257*** | ***4,097*** | |
| **Azure Urban Resorts Residences** | | | | | |
| Rio | Parañaque City | Residential | 42,898 | 756 | 2013 |
| Santorini | Parañaque City | Residential | 36,126 | 553 | 2013 |
| St. Tropez | Parañaque City | Residential | 36,260 | 580 | 2014 |
| Positano | Parañaque City | Residential | 35,164 | 597 | 2015 |
| Miami | Parañaque City | Residential | 34,954 | 559 | 2015 |
| Maui | Parañaque City | Residential | 41,235 | 601 | 2016 |
| Maldives | Parañaque City | Residential | 28,859 | 385 | 2017 |
| Boracay | Parañaque City | Residential | 27,713 | 473 | 2018 |
| Bahamas | Parañaque City | Residential | 53,701 | 851 | 2019 |
| ***Subtotal*** | | | ***336,909*** | ***5,355*** | |
| **Acqua Private Residences** | | | | | |
| Niagara | Mandaluyong City | Residential | 33,709 | 474 | 2015 |
| Sutherland | Mandaluyong City | Residential | 41,705 | 736 | 2015 |
| Dettifoss | Mandaluyong City | Residential | 36,536 | 607 | 2016 |
| Livingstone | Mandaluyong City | Residential | 40,251 | 675 | 2016 |
| Iguazu | Mandaluyong City | Residential | 36,367 | 492 | 2018 |
| Acqua Tower 6 | Mandaluyong City | Residential | 13,531 | 185 | 2019 |
| ***Subtotal*** | | | ***202,099*** | ***3,169*** | |
| **The Residences at Commonwealth by Century** | | | | | |
| Osmeña West | Quezon City | Residential | 14,525 | 158 | 2015 |
| Quezon North | Quezon City | Residential | 17,760 | 285 | 2017 |
| Roxas East | Quezon City | Residential | 27,255 | 389 | 2017 |
| Osmeña East | Quezon City | Residential | 14,089 | 220 | 2018 |

| Residential Projects | Location | Type | GFA in sq.m. (with parking) | Units | Year Completed |
|---|---|---|---|---|---|
| Roxas West | Quezon City | Residential | 26,767 | 500 | 2019 |
| Quirino West | Quezon City | Residential | 26,759 | 517 | 2020 |
| Quirino East | Quezon City | Residential | 26,747 | 498 | 2020 |
| Quezon South | Quezon City | Residential | 38,341 | 687 | 2022 |
| ***Subtotal*** | | | ***192,245*** | ***3,254*** | |
| **Canyon Ranch** | | | | | |
| Phase 1 & 2 | Carmona, Cavite | Residential | 166,896 | 779 | *Per house* |
| Moderno | Carmona, Cavite | Residential | 25,304 | 146 | *Per house* |
| ***Subtotal*** | | | ***192,200*** | ***925*** | |
| **The Resort Residences at Azure North** | | | | | |
| Monaco | Pampanga | Residential | 43,063 | 798 | 2021 |
| Bali | Pampanga | Residential | 43,063 | 806 | 2021 |
| ***Subtotal*** | | | ***86,125*** | ***1,604*** | |
| | | | | | |
| ***Commune Village at Batulao*** | ***Batangas*** | ***Residential*** | ***31,914*** | ***185*** | ***Per house*** |
| | | | | | |
| **Grand Total** | | | **1,462,749** | **18,589** | |

| Commercial/Office Projects | Location | Type | GLA in sq.m. (with parking) | Units | Year Completed |
|---|---|---|---|---|---|
| Century City Mall | Makati City | Retail | 16,443 | 150 | 2013 |
| Centuria Medical Makati | Makati City | Medical Office | 29,749 | 708 | 2015 |
| Asian Century Center | BGC, Taguig City | Office Building | 29,154 | 51 | 2018 |
| Century Diamond Tower | Makati City | Office Building | 57,137 | 206 | 2019 |
| Novotel Suites Manila | Mandaluyong City | Hotel | 12,538 | 152 | 2022 |
| **Total** | | | **145,021** | **1,267** | |

*555 units sold, 148 units for lease, 5 unsold units open for sale*

## 2.3 PROPERTIES UNDER MANAGEMENT AS OF DECEMBER 31, 2023

The Company manages both residential and commercial properties. The following table sets forth information regarding residential properties under our management.

| NO. OF BLDGS. | PROJECT | LOCATION | DEVELOPER | GFA |
|---|---|---|---|---|
| **CPG PROJECTS** | | | | |
| 7 | Acqua Private Residences | Mandaluyong | Century Limitless Corporation | 199,527 |
| 10 | Azure Urban Residences | Paranaque | Century Limitless Corporation | 235,518 |
| 1 | Batulao Artscapes | Batangas | Century Limitless Corporation | 4,625 |
| 7 | The Residences at Commonwealth | Commonwealth | Century Limitless Corporation | 110,407 |
| 1 | Knightsbridge Condominium | Makati | Century City Development Corp | 64,952 |
| 1 | Phirst Park Homes | Tanza | Century Limitless Corporation | 263,062 |
| 1 | Phirst Park Homes | Pandi | Century Limitless Corporation | 183,000 |
| 1 | Phirst Park Homes | Lipa | Century Limitless Corporation | 19,509 |
| 1 | Phirst Park Homes | San Pablo | Century Limitless Corporation | 185,000 |
| 1 | Phirst Park Homes | Calamba | Century Limitless Corporation | 61,006 |
| 1 | Phirst Park Homes | Tayabas | Century Limitless Corporation | 237,500 |
| 1 | Phirst Park Homes | Baliuag | Century Limitless Corporation | 148,543 |
| 1 | Phirst Park Homes | Batulao | Century Limitless Corporation | 28,088 |
| 1 | Phirst Park Homes | Magalang | Century Limitless Corporation | 103,370 |
| 1 | Century Spire | Makati | Century City Development Corp | 61,533 |
| 1 | The Gramercy residences | Makati | Century City Development Corp | 121,595 |
| 1 | The Milano Residences | Makati | Century City Development Corp | 32,738 |
| 1 | The Trump Tower | Makati | Century City Development Corp | 55,504 |
| 1 | Asian Century Center | Taguig | Century City Development Corp | 31,759 |
| 1 | Century City Lifestyle Mall | Makati | Century City Development Corp | 26,919 |
| 1 | Century City Estates Associations, Inc. | Makati | Century City Development Corp | 51 |
| 1 | Centuria Medical Makati | Makati | Century City Development Corporation | 74,103 |
| 1 | Century Diamond Tower | Makati | Century City Development Corporation | 63,101 |
| 2 | The Resorts Residence at Azure North | Pampanga | Century Limitless Corporation | 64,327 |
| **46** | **TOTAL** | | | **2,375,737** |
| **THIRD-PARTY PROPERTY MANAGEMENT** | | | | |
| 1 | Bel-Air Soho Condominium | Makati | Meridien East Realty & Development Corp. | 9,468 |
| 2 | Essensa East Forbes | Taguig | Meridien East Realty & Development Corp. | 115,000 |
| 1 | Le Triomphe Condominium | Makati | Meridien East Realty & Development Corp. | 20,239 |
| 1 | West of Ayala Condominium | Makati | Meridien East Realty & Development Corp. | 30,184 |
| 1 | Medical Plaza Ortigas | Pasig | Meridien Property Ventures, Inc. | 34,642 |
| 1 | One Corporate Plaza | Makati | Inchport Realty Corporation | 12,034 |
| 1 | One Magnificent Mile Condominium | Pasig | Meridien Far East Properties | 23,105 |
| 2 | Pacific Star Building | Makati | Penta Pacific Realty Corporation | 56,822 |
| 1 | 139 Corporate Center | Makati | Antel Realty & Development Corporation | 24,426 |
| 1 | 88 Corporate Condominium | Makati | Belgen Realty Development, Inc. | 37,677 |
| 1 | Aboitiz AMOA | Cebu | Aboitiz | 600,000 |
| 1 | Aboitiz FORESSA | Cebu | Aboitiz | 2,500,000 |
| 1 | Aboitiz PRIVEYA | Cebu | Aboitiz | 620,000 |
| 1 | AvecShares Asia, Inc. | Taguig | Avecshares Asia, Inc. | 12,232 |
| 1 | BSA Suites Condominium | Makati | ASB Development Corp. | 22,925 |
| 1 | Golden Empire Tower | Manila | Moldex Land Holdings | 129,514 |
| 1 | The Globe Tower | Cebu | Prosperity Properties & Management Corp | 12,031 |
| 2 | La Nobleza | Manila | ATL Development | 40,805 |
| 1 | Launchpad Building | Mandaluyong | TV5 Network Inc. | 3,700 |
| 1 | One Corporate Center Ortigas | Pasig | Amberland Corporation | 117,799 |
| 1 | Paragon Plaza | Mandaluyong | Fil Estate Properties, Inc. | 71,631 |
| 1 | Pioneer Highlands North | Mandaluyong | Universal Rightfield Property Holdings, Inc. | 89,990 |
| 1 | Prestige Tower Condominium | Pasig | Amberland Corporation | 58,698 |
| 2 | Salcedo Park | Makati | Empire East | 39,430 |
| 2 | Skyway Twin Towers | Pasig | Amberland Corporation | 95,463 |
| 1 | Tiffany Place Condominium | Makati | River Oaks Realty Corporation | 24,702 |
| 1 | Two Lafayette Square | Makati | Megaworld Properties & Holdings, Inc. | 17,189 |
| 1 | Union Bank Plaza | Pasig | Union Bank Plaza | 76,893 |
| **33** | **TOTAL** | | | **4,896,597** |
| **FACILITY MANAGEMENT** | | | | |
| 1 | Singapore Embassy | Taguig | Singapore Embassy | 15,000 |
| 1 | Fisher-Rosemount Systems, Inc. | Pasig | Emerson | 7,378 |
| 1 | Emerson Manila Shared Services | Quezon City | Office only | 18,228 |
| 1 | E-PLDT | Makati | Office only | 5,004 |
| 1 | Makati Cinema Square | Makati | MCS Condominium Corporation | 4,000 |
| 5 | National Grid Corporation of the Phils | Quezon City | Government Owned | 8,000 |
| 2 | National Grid Corporation of the Phils | Bonaventure | Government Owned | 21,367 |
| 2 | PNB Financial Center | Pasig/Makati | Philippine National Bank | 45,389 |
| 1 | PNB | Binondo | Philippine National Bank | 6,935 |
| 1 | PNB | Naga | Philippine National Bank | 4,476 |
| 1 | PNB | Bacolod | Philippine National Bank | 6,912 |
| 1 | De La Salle University - Lipa | Lipa City Batangas | Not available | 140,000 |
| **18** | **TOTAL** | | | **282,689** |

| | | | |
|---|---|---|---|
| **TOTAL PROJECTS** | **64** | **TOTAL GFA** | **7,555,023** |
| **TOTAL BUILDINGS** | **97** | | |

## 2.4 SOLD RESIDENTIAL BUSINESS PROJECTS AS OF DECEMBER 31, 2023

| Project | Location | No. of Units Inventory | No. of Units Sold | % Sold | Total Sales Value (₱ millions) | Sold Revenues (₱ millions) | Remarks |
|---|---|---|---|---|---|---|---|
| **EXISTING IN-CITY VERTICAL DEVELOPMENTS** | | | | | | | |
| Century City | Makati City | 4,097 | 4,075 | 99.5% | 34,242 | 33,469 | Unsold units are mostly in Century Spire, the last tower which is already completed. |
| Azure Urban Resorts Residences | Parañaque City | 5,355 | 5,342 | 99.8% | 22,686 | 22,494 | Unsold units are mostly in Maui, which are the retail units. |
| The Resort Residences at Azure North | San Fernando, Pampanga | 2,424 | 2,354 | 97.1% | 10,596 | 9,951 | Bali and Monaco are already completed. Barbados, the last tower, is expected to be completed in 2025. |
| Acqua Residences | Mandaluyong City | 3,169 | 3,166 | 99.9% | 16,104 | 16,050 | Only a few unsold RFO units. |
| Commonwealth | Quezon City | 3,254 | 3,216 | 98.8% | 13,070 | 12,766 | Unsold units are mostly in Quezon South, the last tower which is already completed. |
| Commune Village at Batulao | Nasugbu, Batangas | 485 | 277 | 57.1% | 3,275 | 1,621 | Launched in Q4 2017. Completed 185 units. |
| Canyon Ranch | Carmona, Cavite | 925 | 911 | 98.5% | 3,695 | 3,620 | Substantially sold and completed. |
| **TOTAL** | | **19,709** | **19,341** | **98.1%** | **103,669** | **99,972** | |
| **FIRST-HOME MARKET RESIDENTIAL DEVELOPMENTS** | | | | | | | |
| PHirst Park Homes – Tanza | Tanza, Cavite | 2,877 | 2,757 | 95.8% | 4,801 | 4,440 | Phase 1 & 2 were launched in 2017 and Phase 3 in 2019; 2,742 houses are completed as of December 2023, Phase 1 is 99% sold, Phase 2 is 98% sold, Phase 3 is 88% sold. |
| PHirst Park Homes – Lipa | Lipa, Batangas | 1,698 | 1,473 | 86.7% | 2,926 | 2,384 | 1,534 houses are completed as of December 2023, Phase 1 is 92% sold, Phase 2 is 79% sold. |
| PHirst Park Homes – San Pablo | San Pablo, Laguna | 1,624 | 1,425 | 87.7% | 2,856 | 2,403 | Phase 1 was launched in Q1 2019, 96% sold; Phase 2 was launched in Q2 2019, 88% sold; Phase 3 was launched in Q2 2021, 75% sold; 1,170 completed houses as of December 2023. |

| Project | Location | No. of Units Inventory | No. of Units Sold | % Sold | Total Sales Value (₱ millions) | Sold Revenues (₱ millions) | Remarks |
|---|---|---|---|---|---|---|---|
| PHirst Park Homes – Pandi | Pandi, Bulacan | 1,598 | 1,247 | 78.0% | 3,072 | 2,301 | Phase 1 and 2 were launched in Q4 2019; Phase 1 is 56% sold, Phase 2 is 92% sold, Phase 3 is 78% sold; 943 completed houses as of December 2023. |
| PHirst Park Homes – Calamba | Calamba, Laguna | 1,501 | 1,367 | 91.1% | 2,792 | 2,398 | Phase 1 was launched in Q4 2019, 93% sold; Phase 2 in Q1 2021, 89% sold; 987 completed houses as of December 2023. |
| PHirst Park Homes- Batulao | Nasugbu, Batangas | 2,150 | 2,073 | 96.4% | 5,347 | 5,088 | Phase 1A was launched in Q4 2019, 96% sold. Phase 1B was launched in Q3 2020, 97% sold, Phase 2 was launched in Q1 2021, 96% sold; 679 completed houses as of December 2023. |
| PHirst Park Homes – Magalang | Magalang, Pampanga | 1,079 | 973 | 90.2% | 2,004 | 1,769 | Phase 1 was launched in Q4 2020, 90% sold; 670 completed houses as of December 2023. |
| PHirst Park Homes – Gen Tri | Gen. Trias, Cavite | 1,485 | 1,283 | 86.4% | 3,246 | 2,473 | Phase 1 was launched in Q3 2021, 99% sold. Phase 2 was launched in March 2022, 98% sold. Phase 3 was launched in Q4 2021, 40% sold; 53 completed houses as of December 2023. |
| PHirst Park Homes – Tayabas | Tayabas, Quezon | 1,486 | 705 | 47.4% | 2,466 | 1,137 | Phase 1A was launched in Q3 2021, 97% sold. Phase 1B was launched in Q4 2021, 58% sold; 130 completed houses as of December 2023. |
| PHirst Park Homes – Baliwag | Baliwag, Bulacan | 1,080 | 996 | 92.2% | 2,027 | 1,860 | Phase 1 was launched in Q3 2021, 92% sold. Phase 2 was launched in Q3 2022, 93% sold; 80 completed houses as of December 2023. |

| Project | Location | No. of Units Inventory | No. of Units Sold | % Sold | Total Sales Value (₱ millions) | Sold Revenues (₱ millions) | Remarks |
|---|---|---|---|---|---|---|---|
| PHirst Park Homes – Naic | Naic, Cavite | 1,190 | 653 | 54.9% | 2,205 | 1,158 | Phase 1 was launched in Q4 2021, 91% sold. Phase 2 was launched in January 2023, 37% sold. |
| PHirst Park Homes – Balanga | Balanga, Bataan | 732 | 292 | 39.9% | 1,251 | 516 | Phase 1 was launched in Q2 2022, 40% sold. |
| PHirst Park Homes – Gapan | Gapan, Nueva Ecija | 546 | 122 | 22.3% | 1,034 | 230 | Phase 1 was launched in late Dec 2022, 22% sold. |
| PHirst Park Homes – Lipa The Cove | Lipa, Batangas | 396 | 78 | 19.7% | 646 | 118 | Phase 4A was launched in August 2023, 20% sold. |
| PHirst Park Homes – Bacolod | Vista Alegre, Bacolod | 756 | 117 | 15.5% | 1,302 | 181 | Phase 1 was launched in November 2023, 15% sold. |
| PHirst Park Homes – Batulao West Vol. 2 | Nasugbu, Batangas | 496 | - | 0.0% | 2,538 | - | Phase 2 was launched in December 2023. |
| PHirst Editions | Nasugbu, Batangas | 629 | 484 | 76.9% | 3,258 | 2,215 | Phase 1 was launched in Q4 2022, 90% sold. Phase 2 was launched in May 2023, 38% sold. |
| PHirst Sights | Bay, Laguna | 1,816 | 1,727 | 95.1% | 2,099 | 1,983 | Phases 1 and 2 were launched in Dec 2022, 97% and 93% sold respectively; 22 completed houses as of December 2023. |
| PHirst Batulao Impressions | Nasugbu, Batangas | 916 | 257 | 28.1% | 1,828 | 511 | Phase 1A was launched in May 2023, 39% sold. |
| PHirst Centrale | Hermosa, Bataan | 528 | 137 | 25.9% | 1,037 | 269 | Phase 1 was launched in late Dec 2022, 26% sold. |
| **TOTAL** | | **24,583** | **18,166** | **73.9%** | **48,735** | **33,434** | |
| | | | | | | | |
| **GRAND TOTAL** | | **44,292** | **37,507** | **84.7%** | **152,404** | **133,406** | |

## 2.5 COMPANY OWNED PROPERTIES

The Company does not have any property other than its equity participation in its subsidiaries. The Company's subsidiaries, on the other hand, owns assets mainly land and buildings in property development.

## ITEM 3. LEGAL PROCEEDINGS

As of December 31, 2023 the directors and key officers of the Company have no material pending civil or criminal cases filed by or against them.

From time to time, the Company and its Subsidiaries, its Board of Directors and Key Officers are subject to various civil, criminal and administrative lawsuits and other legal actions arising in the ordinary course of its business. Typical cases include adverse claims over title to land, claims for recovery of money and damages and claims for cancellations of sales agreements and refund of deposits. In the opinion of the Company's management, as of the date of this Annual Report, none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material adverse effect on the Company's consolidated financial position and results of operations.

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

Other than those stated herein, there are no other matters submitted to a vote of security holders during the fiscal year covered by this report.

# PART II. OPERATIONAL AND FINANCIAL INFORMATION

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

### 5.1 MARKET INFORMATION

The shares of the Company consist of common and preferred shares, which are presently being traded in the Philippine Stock Exchange.

The high, low and close prices for the common shares of the Company for each quarter within the last four (4) fiscal years are as follows:

**Common Shares (CPG)**

| (in ₱) | 2023 | | | 2022 | | | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Quarter** | High | Low | Close | High | Low | Close | High | Low | Close | High | Low | Close |
| First quarter | 0.410 | 0.350 | 0.365 | 0.430 | 0.370 | 0.420 | 0.470 | 0.375 | 0.380 | 0.570 | 0.335 | 0.370 |
| Second quarter | 0.380 | 0.345 | 0.360 | 0.425 | 0.360 | 0.365 | 0.570 | 0.380 | 0.570 | 0.430 | 0.325 | 0.370 |
| Third quarter | 0.370 | 0.320 | 0.330 | 0.395 | 0.345 | 0.355 | 0.540 | 0.405 | 0.440 | 0.405 | 0.345 | 0.360 |
| Fourth quarter | 0.335 | 0.270 | 0.280 | 0.385 | 0.330 | 0.385 | 0.470 | 0.380 | 0.400 | 0.495 | 0.355 | 0.450 |

### 5.2 STOCKHOLDERS

The number of shareholders of the Company's Common Shares of record as of 31 December 2023 is Four Hundred Ninety-Six (496). The number of issued Common Shares of the Company as of 31 December 2023 are Eleven Billion Six Hundred Ninety-Nine Million Seven Hundred Twenty-Three Thousand Six Hundred Ninety (11,699,723,690) with total paid-up capital of ₱6,200,853,553.

The top 20 stockholders of Common Shares as of 31 December 2023 are as follows:

| Name | Number of Shares Held | % to Total |
|---|---|---|
| 1. CENTURY PROPERTIES, INC. | 6,311,104,949 | 53.942 |
| 2. PCD NOMINEE CORPORATION (FILIPINO) | 4,971,231,001 | 42.490 |
| 3. F. YAP SECURITIES, INC. | 169,183,755 | 1.446 |
| 4. TRIVENTURES CONSTRUCTION & MANAGEMENT CORPORATION | 119,441,756 | 1.021 |
| 5. PCD NOMINEE CORPORATION (NON-FILIPINO) | 107,658,739 | 0.920 |

| Name | Number of Shares Held | % to Total |
|---|---|---|
| 6. QIU NINI | 6,800,000 | 0.058 |
| 7. ERNESTO B. LIM | 6,000,000 | 0.051 |
| 8. PEDRO RIZALDY ALARCON | 1,000,000 | 0.009 |
| 9. GOH WAY SIONG | 1,000,000 | 0.009 |
| 10. SOLAR SECURITIES, INC. | 723,978 | 0.006 |
| 11. ANTONIO A. INDUCTIVO | 723,959 | 0.006 |
| 12. VICTOR S. CHIONGBIAN | 688,732 | 0.006 |
| 13. RAFAEL JAY P. RAMORES | 510,596 | 0.004 |
| 14. VICENTE GOQUIOLAY & CO., INC. | 395,288 | 0.003 |
| 15. MAGDALENO B. DELMAR, JR. | 361,458 | 0.003 |
| 16. CRISANTO L. DAPIGRAN | 217,000 | 0.002 |
| 17. REGINA CAPITAL DEV. CORP. 000351 | 200,000 | 0.002 |
| 18. ALFRED REITERER | 200,000 | 0.002 |
| 19. PACIFICO B. TACUB | 150,661 | 0.001 |
| 20. ROMAN T. YAP | 144,794 | 0.001 |

Under Article 6 of the Company's Articles of Incorporation, all shareholders have been denied their pre-emptive right to subscribe, purchase, or take any part of any stock of the Company.

**FOREIGN EQUITY HOLDERS**

As of 31 December 2023, the percentage of the total outstanding common shares of the Company held by foreigners are 0.997%, respectively.

| Class of Shares | Total Outstanding Shares | Local Shares | Foreign Shares |
|---|---|---|---|
| Common Shares | 11,599,600,690 | 11,483,941,650 | 115,659,040 |
| Percentage Holdings | | 99.003% | 0.997% |

## 5.3 CPGI'S DIVIDENDS AND DIVIDEND POLICY

The Company declares dividends yearly, either through Cash or Stock, to shareholders of record, which are paid from the Company's unrestricted retained earnings. CPGI intends to maintain an annual cash dividend payment ratio for the issued and outstanding common shares of the Company of approximately 10% of its consolidated net income from the preceding fiscal year, subject to the requirements of applicable laws and regulations, availability of unrestricted retained earnings and the absence of circumstances which may restrict the payment of such dividends.

Below is the summary of the Company's cash dividend declaration for Common Shareholders.

| **Cash Dividends** | | | | |
|---|---|---|---|---|
| **Fiscal Year** | **Total Amount of Dividends** | **Amount of dividends per share** | **Date of Declaration** | **Date of Payment** |
| 2012 | 184,436,193 | ₱0.019024 | April 15, 2013 | May 16, 2013 |
| 2013 | 184,471,576 | ₱0.0190 | April 30, 2014 | June 5, 2014 |
| 2014 | 201,158,909 | ₱0.0173418822 | June 15, 2015 | July 16, 2015 |
| 2015 | ₱205,022,943 | ₱0.0177 | June 22, 2016 | July 20, 2016 |
| 2016 | ₱205,065,834 | ₱0.0177 | May 22, 2017 | June 19, 2017 |
| 2017 | ₱199,999,999 | ₱0.0172 | June 8, 2018 | July 6, 2018 |
| 2018 | ₱137,919,252 | ₱0.01189 | June 25, 2019 | July 23, 2019 |
| 2019 | ₱147,847,020 | ₱0.0063 | August 26, 2020 | September 18, 2020 |
| | | ₱0.0063 | | November 18, 2020 |
| 2020 | ₱114,923,406 | ₱0.0050 | July 21, 2021 | August 18, 2021 |
| | | ₱0.0050 | | October 18, 2021 |
| 2021 | 0 | 0 | - | - |
| 2022 | ₱140,475,907.9 | ₱0.006055 | 29 June 2023 | 11 August 2023 |
| | | ₱0.006055 | | 13 October 2023 |

Below is the summary of the Company's stock dividend declaration for Common Shareholders.

| **Stock Dividends** | | | | |
|---|---|---|---|---|
| **Fiscal Year** | **Total Number of Shares** | **Dividend Rate** | **Date of Declaration** | **Date of Payment** |
| 2013 | 1,999,999,993 | 20.661985% | October 13, 2014 | November 14, 2014 |

Below is the summary of the Company's cash dividend declaration for holders of Preferred Shares:

| **Cash Dividends** | | | | |
|---|---|---|---|---|
| **Fiscal Year** | **Total Amount of Dividends** | **Amount of dividends per share** | **Record Date** | **Date of Payment** |
| 2020 | ₱50,382,750 | ₱1.6794250 | April 3, 2020 | April 13, 2020 |
| | ₱50,382,750 | ₱1.6794250 | July 8, 2020 | July 10, 2020 |

| **Cash Dividends** | | | | |
|---|---|---|---|---|
| | ₱50,382,750 | ₱1.6794250 | October 6, 2020 | October 12, 2020 |
| | ₱50,382,750 | ₱1.6794250 | January 5, 2021 | January 11, 2021 |
| 2021 | ₱50,382,750 | ₱1.6794250 | April 6, 2021 | April 12, 2021 |
| | ₱50,382,750 | ₱1.6794250 | July 6, 2021 | July 12, 2021 |
| | ₱50,382,750 | ₱1.6794250 | October 6, 2021 | October 11, 2021 |
| | ₱50,382,750 | ₱1.6794250 | January 5, 2022 | January 10, 2022 |
| 2022 | ₱50,382,750 | ₱1.6794250 | April 6, 2022 | April 11, 2022 |
| | ₱50,382,750 | ₱1.6794250 | July 6, 2022 | July 11, 2022 |
| | ₱50,382,750 | ₱1.6794250 | October 5, 2022 | October 10, 2022 |
| | ₱50,382,750 | ₱1.6794250 | January 5, 2023 | January 10, 2023 |
| 2023 | ₱50,382,750 | ₱1.6794250 | April 3, 2023 | April 11, 2023 |
| | ₱50,382,750 | ₱1.6794250 | July 5, 2023 | July 10, 2023 |

CPGI's net income for fiscal year 2015 was ₱1,530.6 Million, and it paid dividends of ₱205.0 Million to its stockholders in July of 2016. CPGI's net income for fiscal year 2016 was ₱727.1 Million, and it paid dividends of ₱205.1 Million to its stockholders in June of 2017. CPGI's net income for fiscal year 2017 was ₱650 Million, and it paid dividends of ₱200 Million to its stockholders in June of 2018. CPGI's net income for fiscal year 2018 was ₱1,118 Million, and it paid dividends of ₱138 Million to its stockholders in June of 2019. CPGI's net income for fiscal year 2019 was ₱1,479 Million, and it paid dividends of ₱148 Million to its stockholders in September and November of 2020. CPGI's net income for fiscal year 2020 was ₱1,149 Million, and it paid dividends of ₱115 Million to its stockholders in August and October of 2021. CPGI's net income for fiscal year 2022 was ₱1,404 Million, and it paid dividends of ₱140 Million to its stockholders in August and October of 2023.

The Subsidiaries do not have a stated dividend policy. CCDC declared dividends to CPGI of ₱100 Million in 2017 and ₱201 Million in 2018. CLC declared dividends to CPGI of ₱300 Million in 2015 and ₱300 Million in 2016, ₱700 Million in 2017, ₱700 Million in 2018, ₱850 Million in 2019 and ₱350 Million in 2020 and ₱400 Million in 2022. CCDC II declared dividends to CPGI of ₱140 Million in 2020, ₱50 Million in 2022 and ₱80 Million in 2023. CPMI declared dividends to CPGI of ₱49 Million in 2021, ₱35 Million in 2022 and ₱60 Million in 2023. PPHI declared dividends to CPGI of ₱80.62 Million in 2021, ₱155.61 Million in 2022 and ₱843.91 Million in 2023. Each subsidiary ensures that on aggregate, the Subsidiaries adhere to CPGI's dividend policy of distributing at least 10% of CPGI's prior year's net income.

## ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

**Results of Operations and Material Changes to the Company's Income Statement for the year ended December 31, 2023 compared to December 31, 2022 (increase/decrease of 5% or more)**
***(In Millions of Peso)***

| | | | Movement | |
|---|---|---|---|---|
| | **2023** | **2022** | **Amount** | **%** |
| **REVENUE** | | | | |
| Real estate revenue | ₱10,794.58 | ₱9,231.48 | ₱1,563.09 | 16.93% |
| Leasing revenue | 1,293.12 | 1,362.47 | (69.35) | -5.09% |
| Property management fee, hotel and other services | 519.97 | 423.37 | 96.60 | 22.82% |
| Interest income from real estate sales | 93.75 | 109.32 | (15.57) | -14.24% |
| | **12,701.42** | **11,126.65** | **1,574.77** | **14.15%** |
| **COST AND EXPENSES** | | | | |
| Cost of real estate revenue | 6,013.02 | 5,607.26 | 405.76 | 7.24% |
| Cost of leasing | 438.49 | 440.82 | (2.32) | -0.53% |
| Cost of services | 320.59 | 268.35 | 52.24 | 19.47% |
| | **6,772.10** | **6,316.43** | **455.68** | **7.21%** |
| **GROSS PROFIT** | **5,929.31** | **4,810.22** | **1,119.09** | **23.26%** |
| **GENERAL, ADMINISTRATIVE AND SELLING EXPENSES** | **3,350.73** | **2,771.10** | **579.63** | **20.92%** |
| **OTHER INCOME (EXPENSES)** | | | | |
| Interest and other income | 798.18 | 469.28 | 328.90 | 70.09% |
| Gain from change in fair values of investment properties | 26.93 | 28.25 | (1.32) | -4.66% |
| Income from investment in associate | 1.96 | 3.92 | (1.96) | -50.00% |
| Foreign exchange gain (loss) | (0.38) | 1.06 | (1.44) | -135.37% |
| Interest and other financing charges | (1,208.44) | (917.89) | (290.55) | 31.65% |
| | **(381.75)** | **(415.39)** | **33.64** | **8.10%** |
| **INCOME BEFORE INCOME TAX** | **2,196.84** | **1,623.73** | **573.10** | **35.30%** |
| **PROVISION FOR INCOME TAX** | **342.19** | **218.97** | **123.22** | **56.27%** |
| **NET INCOME** | **₱1,854.64** | **₱1,404.76** | **₱449.88** | **32.03%** |

**16.93% increase in real estate revenue**
The increase in real estate revenue is mainly attributable to higher sales take up, collection and completion of the group's first home business segment during the period.

**5.09% decrease in leasing revenue**
The increase was mainly due to the slightly elevated vacancy rate and lower lease rate during the period.

**22.82% increase in property management fee, hotel and other services**
The increase is primarily due to the increase in management and service fee rates for property managed, and increased number of project and building managed. Hotel services also contributed to the increase.

**14.24% decrease in interest income from real estate sales**
Interest income from real estate sales represents interest accretion from installment contract receivables (ICR) and contract assets recognized during the year. Discount subject to accretion arises from the difference between present value of ICR and contract asset and its nominal value. Income decreased since most of the projects are already turned over.

**7.24% increase in cost of sales**
The increase is due to higher sales revenue recognized during the period.

**7.24% increase in cost of services**
The increase is mostly due to more revenue generating activities in property managementand hotel business.

**20.92% increase in general, administrative and selling expenses**
The increase is mainly attributable to higher selling and marketing activities for the first home business segment for the existing and newly launched projects and phases.

**70.09% increase in interest and other income**
The increase is mainly attributable to the increase in interest income earned from short term temporary money market placements and recognition as other income the forfeited collections cancelled past due buyers accounts.

**4.66% decrease in gain from change in fair value**
The decrease is mainly attributable to the lower fair value of Centuria Medical Makati and Century City Mall in 2023 compared to the same period in 2022.

**50.00% decrease in share in net income from its associate**
The decrease is due to lower reported income of some associates.

**31.65% increase in interest and other financing charges**
The increase was due to higher interest rates and outstanding interest-bearing debt compared with same period in prior year.

**56.27% increase in Provision for Income Tax**
The increase was primarily due to higher taxable income during the period.

**As a result of the foregoing, net income increased by 32.03%.**

## Financial Condition and Material Changes to the Company's Income Statement for the year ended December 31, 2023 compared to December 31, 2022 (increase/decrease of 5% or more)

***(In Millions of Pesos)***

| | | | Movement | |
|---|---|---|---|---|
| | **2023** | **2022** | **Amount** | **%** |
| **ASSETS** | | | | |
| Cash and cash equivalents | ₱3,543.35 | ₱4,130.88 | (587.53) | -14.22% |
| Short-term investments | 18.26 | 36.79 | (18.53) | -50.37% |
| Receivables | 10,646.18 | 9,845.28 | 800.90 | 8.13% |
| Real estate inventories | 18,832.24 | 17,723.40 | 1,108.84 | 6.26% |
| Due from related parties | 1,566.24 | 975.32 | 590.92 | 60.59% |
| Advances to suppliers and contractors | 1,661.85 | 1,749.97 | (88.12) | -5.04% |
| Other current assets | 1,679.89 | 1,642.04 | 37.85 | 2.31% |
| **Total Current Assets** | **37,948.01** | **36,103.68** | **1,844.33** | **5.11%** |
| Noncurrent portion of installment contract receivables | 1,268.85 | 109.04 | 1,159.81 | 1,063.66% |
| Deposits for purchased land | 1,116.79 | 1,409.48 | (292.69) | -20.77% |
| Investments in and advances to joint ventures and associate | 277.32 | 275.37 | 1.95 | 0.71% |
| Investment properties | 12,421.91 | 12,394.98 | 26.93 | 0.22% |
| Property and equipment | 1,372.76 | 2,484.32 | (1,111.56) | -44.74% |
| Deferred tax assets – net | 48.36 | 33.20 | 15.16 | 45.66% |
| Other noncurrent assets | 931.42 | 1,121.02 | (189.60) | -16.91% |
| **Total Noncurrent Assets** | **17,437.41** | **17,827.42** | **(390.00)** | -2.19% |
| **TOTAL ASSETS** | **55,385.42** | **53,931.10** | **1,454.33** | 2.70% |
| **LIABILITIES** | | | | |
| Accounts and other payables | 6,219.58 | 4,994.69 | 1,224.88 | 24.52% |
| Contract liabilities | 3,873.08 | 2,769.10 | 1,103.98 | 39.87% |
| Short-term debt | 791.66 | 235.14 | 556.52 | 236.68% |
| Current portion of: | | | | |
| Long-term debt | 3,851.90 | 2,192.45 | 1,659.45 | 75.69% |
| Bonds Payable | 3,000.00 | - | 3,000.00 | 100.00% |
| Liability from purchased land | 49.48 | 67.20 | (17.72) | -26.37% |
| Lease Liability | 17.37 | 15.43 | 1.94 | 12.57% |
| Due to related parties | 384.10 | 358.06 | 26.04 | 7.27% |
| Income Tax Payable | 50.58 | 68.58 | (18.00) | -26.25% |
| Other current liabilities | 73.85 | 68.16 | 5.69 | 8.35% |
| **Total Current Liabilities** | **18,311.60** | **10,768.82** | **7,542.78** | **70.04%** |
| Noncurrent portion of: | | | | |
| Long-term debt | 6,500.34 | 8,813.86 | (2,313.52) | -26.25% |
| Bonds Payable | 5,877.44 | 5,917.25 | (39.81) | -0.67% |
| Liability from purchased land | - | 63.78 | (63.78) | -100.00% |
| Lease Liability | 16.83 | 12.30 | 4.53 | 36.83% |
| Pension liabilities | 290.15 | 231.19 | 58.96 | 25.50% |
| Deferred tax liabilities | 2,458.74 | 2,542.14 | (83.40) | -3.28% |
| Other noncurrent liabilities | 1,625.98 | 1,789.21 | (163.23) | -9.12% |
| **Total Noncurrent Liabilities** | **16,769.48** | **19,369.74** | **(2,600.25)** | **-13.42%** |
| **Total Liabilities** | **35,081.08** | **30,138.56** | **4,942.53** | **16.40%** |
| **EQUITY** | | | | |
| Capital stock | 6,200.85 | 6,200.85 | - | 0.00% |
| Preferred shares | 15.90 | 15.90 | - | 0.00% |
| Additional paid-in capital | 5,524.78 | 5,524.78 | - | 0.00% |
| Treasury shares | (3,109.67) | (109.67) | (3,000.00) | 2,735.48% |
| Other components of equity | 28.16 | (683.20) | 711.36 | -104.12% |
| Retained earnings | 11,594.25 | 10,514.10 | 1,080.15 | 10.27% |
| Remeasurement loss on defined benefit plan | (4.11) | 17.44 | (21.55) | -123.57% |
| Total Equity Attributable to Equity Holders of the Parent Company | **20,250.16** | **21,484.72** | (1,230.04) | -5.73% |
| Non-controlling interest | **54.18** | **2,312.34** | (2,258.16) | -97.66% |
| | **20,304.34** | **23,792.54** | (3,488.20) | -14.66% |
| | **₱55,385.42** | **₱53,931.10** | 1,454.33 | 2.70% |

**14.22% decrease in cash and cash equivalents**
The decrease is primarily due to repayment of debt during the year.

**50.37% decrease in short-term investments**
During the year the Group decreased the placement on money market exceeding three (3) months but less than one (1) year.

**19.70% increase in total current receivables and noncurrent portion of installment contract receivables**
The increase is due to higher sales take up and revenue recognition during the period, resulting from strong performance of the group's first home business segment.

**9.79% increase in real estate inventories**
The increase is primarily due to acquisition of raw land of first home projects amounting to P1.71 billion and reclassification of certain portion of hotel rooms from properties and equipment to real estate inventories.

**60.59% increase in due from related parties**
Increase is due to normal advances made to related parties which are done in arms-length terms and conditions.

**5.04% decrease in advances to suppliers.**
The decrease is due to recoupment through progress billings of completed projects.

**5.49% decrease in total other current and non-current assets**
The decrease is primarily due to the decrease in prepaid commissions net of increase creditable withholding taxes and input taxes.

**20.77% decrease in deposit for purchased land**
The increase is due to the application as partial payment the deposit made for land purcahse.

**44.74% decrease in property and equipment**
The decrease is substantially due to reclassification of portion of hotel rooms from property and equipment to real estate inventories for sale.

**45.66% increase in deferred tax assets**
The increase is due to higher future deductible amounts during the year.

**24.52% increase in accounts and other payables**
The increase is primarily due to accruals made at the end of the period and increase in inventory related purchases.

**39.87% increase in contract liabilities**
The increase is attributable to collections from customers booked as liability pending satisfaction of criteria for revenue recognition.

**50.03% increase in total current and noncurrent bonds payable**
The increase was due to issuance of bond in March 2023.

**62.22% decrease in total current and noncurrent liabilities from purchased land**
Decrease was due to payments made during the period.

**23.33% increase in total current and non-current lease liability**
This pertains to the additional accrued lease liability on existing lease contracts in accordance with PFRS 16.

**7.27% increase in due to related parties**
The increase is due to additional purchases from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/ payable on demand.

**26.25% decrease in income tax payable**
Due primarily to lower taxable income during the period.

**25.50% increase in pension liabilities**
This is due to additional retirement expenses during the year.

**8.48% decrease in total of other current and noncurrent liabilities**
The decrease is mostly attributable to the decrease in security deposits.

**14.66% decrease in total stockholders' equity**
The decrease was mainly due to redemption of preferred shares, declaration of dividends, and acquisition of the shares of the minority of Mitsubishi Corporation in the group's first home business segment.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no events that will trigger a direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material commitments for capital expenditures.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

The top five (5) key performance indicators of the Company are shown below:

| Key Performance Indicators | 31-Dec-23 | 31-Dec-22 |
|---|---|---|
| Current Ratios (a) | 2.1x | 3.4x |
| Debt to Equity (b) | 1.0x | 0.7x |
| Debt to EBITDA (c) | 5.9x | 6.9x |
| Return on Assets (d) | 3.4% | 2.6% |
| Return on Equity (e) | 8.4% | 6.1% |

*Notes:*

1) *Current ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.*
2) *Debt to Equity ratio computed by dividing total interest-bearing debt (includes short-term and long-term debts and bonds payable) by total equity.*
3) *Debt to EBITDA is calculated by dividing EBITDA for the period by total interest-bearing debt.*
4) *Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two).*
5) *Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two).*

Current ratio decreased mainly due to the inclusion in current liabilities computation, the bonds maturing in the first quarter of the following year, which bond was previously classified as long-term debt.

Debt to equity increased due to lower amount of equity resulting from redemption of preferred shares and acquisition of non-controlling interest on the one hand, and issuance of bonds on the other hand.

Debt to EBITDA decreased primarily due to higher EBITDA in 2023.

Return on Assets and Return on Equity increased due to higher net income recognized during the period ended 31 December 2023 compared to the same period ended 31 December 2022.

| Financial ratios | 31-Dec-23 (Audit) | 31-Dec-22 (Audit) |
|---|---|---|
| **Liquidity Analysis Ratios** | | |
| Current Assets | 37,948,003,525 | 36,103,684,078 |
| Current Liabilities | 18,311,592,815 | 10,768,820,128 |
| **Current Ratio** | **2.1** | **3.4** |
| | | |
| Current Assets | 37,948,003,525 | 36,103,684,078 |
| Inventory | 18,832,235,203 | 17,723,397,564 |
| Quick Assets | 19,115,768,322 | 18,380,286,514 |
| Current Liabilities | 18,311,592,815 | 10,768,820,128 |
| **Quick Ratio** | **1.0** | **1.7** |
| | | |
| Total Assets | 55,385,411,059 | 53,931,100,448 |
| Total Liabilities | 35,081,072,630 | 30,138,558,574 |
| **Solvency Ratio** | **1.6** | **1.8** |
| | | |
| **Financial Leverage Ratios** | | |
| Debt | 20,021,335,207 | 17,158,710,775 |
| Total Assets | 55,385,411,059 | 53,931,100,448 |
| **Debt Ratio** | **0.4** | **0.3** |
| | | |
| Short-term debt | 791,664,471 | 235,141,310 |
| Long-term debt - Current | 3,851,897,104 | 2,192,453,618 |
| Long-term debt - Non-current | 6,500,336,528 | 8,813,861,924 |
| Bonds payable | 8,877,437,104 | 5,917,253,923 |
| **Debt** | **20,021,335,207** | **17,158,710,775** |
| **Equity** | **20,304,338,429** | **23,792,541,874** |
| **Debt-to-Equity** | **1.0** | **0.7** |
| | | |
| Debt | 20,021,335,207 | 17,158,710,775 |
| Cash and Cash Equivalents | 3,543,351,959 | 4,130,877,582 |
| **Net Debt** | **16,477,983,248** | **13,027,833,193** |
| **Equity** | **20,304,338,429** | **23,792,541,874** |
| **Net Debt-to-Equity** | **0.8** | **0.5** |
| | | |
| Debt | 20,021,335,207 | 17,158,710,775 |
| EBITDA | 3,367,875,390 | 2,475,710,475 |
| **Debt-to-EBITDA** | **5.9** | **6.9** |
| Income before Income Tax | 2,196,835,692 | 1,623,732,848 |
| Interest expense | 1,089,163,808 | 795,984,164 |
| Depreciation and amortization | 81,875,890 | 55,993,463 |
| **EBITDA** | **3,367,875,390** | **2,475,710,475** |
| | | |
| Income before Income Tax | 2,196,835,692 | 1,623,732,848 |
| Interest expense | 1,089,163,808 | 795,984,164 |
| **EBIT** | **3,285,999,500** | **2,419,717,012** |
| Interest expense | 1,089,163,808 | 795,984,164 |
| **Interest Coverage Ratio** | **3.0** | **3.0** |
| | | |
| **Asset to Equity Ratios** | | |
| Total Assets | 55,385,411,059 | 53,931,100,448 |
| Total Equity | 20,304,338,429 | 23,792,541,874 |
| **Asset to Equity Ratio** | **2.7** | **2.3** |
| | | |
| **Liabilities to Equity Ratios** | | |
| Total Liabilities | 35,081,072,630 | 30,138,558,574 |
| Total Equity | 20,304,338,429 | 23,792,541,874 |
| **Liabilities to Equity Ratio** | **1.7** | **1.3** |

| Financial ratios | 31-Dec-23 (Audit) | 31-Dec-22 (Audit) |
|---|---|---|
| **Profitability ratios** | | |
| Revenue | 12,701,416,652 | 11,126,646,235 |
| Gross Profit | 5,929,314,100 | 4,810,221,057 |
| **Gross Profit Ratio** | **47%** | **43%** |
| | | |
| Net Income | 1,854,643,359 | 1,404,759,079 |
| Revenue | 12,701,416,652 | 11,126,646,235 |
| **Net Income after Tax Margin** | **14.6%** | **12.6%** |
| | | |
| **Total Net Income after tax** | **1,854,643,359** | **1,404,759,079** |
| Total Asset CY | 55,385,411,059 | 53,931,100,448 |
| Total Asset PY | 53,931,100,448 | 54,506,509,548 |
| **Average total asset** | **54,658,255,754** | **54,218,804,998** |
| **Return on Asset** | **3.4%** | **2.6%** |
| | | |
| **Total Net Income after tax** | **1,854,643,359** | **1,404,759,079** |
| Total Equity CY | 20,304,338,429 | 23,792,541,874 |
| Total Equity PY | 23,792,541,874 | 22,350,664,641 |
| **Average total equity** | **22,048,440,152** | **23,071,603,258** |
| **Return on Equity** | **8.4%** | **6.1%** |
| | | |
| **Price/Earnings Ratio** | | |
| Price Per Share | 0.280 | 0.385 |
| Earnings Per Common Share | 0.105 | 0.060 |
| **Price/Earnings Ratio** | **2.667** | **6.417** |

**Results of Operations and Material Changes to the Company's Income Statement for the year ended December 31, 2022 compared to December 31, 2021 (increase/decrease of 5% or more)**
***(In Millions of Peso)***

| | | | Movement | |
|---|---|---|---|---|
| | **2022** | **2021** | **Amount** | **%** |
| **REVENUE** | | | | |
| Real estate revenue | ₱ 9,231.48 | ₱7,664.40 | ₱1,567.08 | 20.45% |
| Leasing revenue | 1,362.47 | 1,200.37 | 162.11 | 13.50% |
| Property management fee and other services | 423.37 | 400.01 | 23.36 | 5.84% |
| Interest income from real estate sales | 109.32 | 180.12 | (70.80) | -39.31% |
| | **11,126.65** | **9,444.90** | **1,681.75** | **17.81%** |
| **COST AND EXPENSES** | | | | |
| Cost of real estate revenue | 5,607.26 | 4,808.42 | 798.84 | 16.61% |
| Cost of leasing | 440.82 | 352.04 | 88.77 | 25.22% |
| Cost of services | 268.35 | 272.73 | (4.38) | -1.61% |
| | **6,316.43** | **5,433.19** | **883.23** | **16.26%** |
| **GROSS PROFIT** | **4,810.22** | **4,011.70** | **798.52** | **19.90%** |
| **GENERAL, ADMINISTRATIVE AND SELLING EXPENSES** | **2,771.10** | **2,692.91** | **78.19** | **2.90%** |
| **OTHER INCOME (EXPENSES)** | | | | |
| Interest and other income | 469.28 | 397.55 | 71.73 | 18.04% |
| Gain from change in fair values of investment properties | 28.25 | 225.50 | (196.75) | -87.45% |
| Income from investment in associate | 3.92 | 8.94 | (5.08) | -56.47% |
| Foreign exchange gain (loss) | 1.06 | 3.21 | (1.94) | -64.64% |
| Interest and other financing charges | (917.89) | (894.59) | (23.30) | 2.60% |
| | **(415.39)** | **(259.39)** | **(155.35)** | **59.74%** |
| **INCOME BEFORE INCOME TAX** | **1,623.73** | **1,059.41** | **564.98** | **53.36%** |
| **PROVISION FOR INCOME TAX** | **218.97** | **(209.70)** | **428.67** | **-204.42%** |
| **NET INCOME** | **₱1,404.76** | **₱1,269.11** | **₱136.30** | **10.75%** |

**20.45% increase in real estate revenue**
The increase in real estate revenue is mostly due to increase in sales take up, collections and construction activities of affordable housing projects during the period.

**13.50% increase in leasing revenue**
The increase was mainly due to increase in the number of tenants during the period.

**5.84% increase in property management fee and other services**
The increase is primarily due to increase in management fee and service rates for property managed.

**39.41% decrease in interest income from real estate sales**
Interest income from real estate sales represents interest accretion from installment contract receivables (ICR) and contract asset recognized during the year. Discount subject to accretion arises from the difference between present value of ICR and contract asset and its nominal value. Income decreased since majority of the projects are already turned over.

**16.61% increase in cost of sales**
The increase is mainly due to increase real estate revenues.

**25.22% increase in cost of leasing**
The increase is directly attributable to higher leasing revenues.

**18.04% increase in interest and other income**
The increase is mainly attributable to the increase in interest income from cash in banks, money market placements and short-term investments and increase in forfeited collection or cancelled buyers discount.

**87.45% decrease in gain from fair value of investment property**
The decrease is mainly attributable to lower incremental fair value appreciation of Century Diamond Tower in 2022 compared to the same period in 2021.

**56.47% decrease in share in net income from its associate**
The decrease is due to lower reported income of some associates.

**204.42% increase in provision for income tax**
The increase was primarily due to higher taxable income during the period and impact of change in corporate income tax rate as a result of CREATE Law in 2021.

**As a result of the foregoing, net income increased by 10.75%**

## Financial Condition and Material Changes to the Company's Income Statement for the year ended December 31, 2022 compared to December 31, 2021 (increase/decrease of 5% or more)

***(In Millions of Pesos)***

| | | | Movement | |
|---|---|---|---|---|
| | **2022** | **2021** | **Amount** | **%** |
| **ASSETS** | | | | |
| Cash and cash equivalents | ₱ 4,130.88 | ₱3,693.08 | 437.80 | 11.85% |
| Short-term investments | 36.79 | 1,032.51 | (995.73) | -96.44% |
| Receivables | 9,845.28 | 9,295.13 | 550.16 | 5.92% |
| Real estate inventories | 17,723.40 | 16,143.10 | 1,580.30 | 9.79% |
| Due from related parties | 975.32 | 526.96 | 448.36 | 85.08% |
| Advances to suppliers and contractors | 1,749.97 | 2,426.74 | (676.77) | -27.89% |
| Other current assets | 1,642.04 | 1,895.47 | (253.42) | -13.37% |
| **Total Current Assets** | **36,103.68** | **35,012.99** | **1,090.70** | **3.12%** |
| Noncurrent portion of installment contract receivables | 109.04 | 366.00 | (256.96) | -70.21% |
| Deposits for purchased land | 1,409.48 | 1,358.81 | 50.67 | 3.73% |
| Investments in and advances to joint ventures and associate | 275.37 | 274.50 | 0.86 | 0.31% |
| Investment properties | 12,394.98 | 13,995.03 | (1,043.23) | -7.76% |
| Property and equipment | 2,484.32 | 1,815.84 | 111.66 | 4.71% |
| Deferred tax assets – net | 33.20 | 26.76 | 6.44 | 24.06% |
| Other noncurrent assets | 1,121.02 | 1,656.58 | (535.55) | -32.33% |
| **Total Noncurrent Assets** | **17,827.42** | **19,493.52** | **(1,666.11)** | -8.55% |
| **TOTAL ASSETS** | **53,931.10** | **54,506.51** | **(575.41)** | -1.06% |
| **LIABILITIES** | | | | |
| Accounts and other payables | 4,994.69 | 5,251.10 | (256.41) | -4.88% |
| Contract liabilities | 2,769.10 | 3,048.61 | (279.51) | -9.17% |
| Short-term debt | 235.14 | 468.36 | (233.22) | -49.79% |
| Current portion of: | | | | |
| Long-term debt | 2,192.45 | 5,467.83 | (3,275.37) | -59.90% |
| Bonds Payable | - | 2,992.05 | (2,992.06) | -100.00% |
| Liability from purchased land | 67.20 | 67.20 | - | 0.00% |
| Lease Liability | 15.43 | 25.54 | (10.11) | -39.57% |
| Due to related parties | 358.06 | 317.36 | 40.70 | 12.83% |
| Income Tax Payable | 68.58 | 69.41 | (0.83) | -1.20% |
| Other current liabilities | 68.16 | 109.55 | (41.39) | -37.78% |
| **Total Current Liabilities** | **10,768.82** | **17,817.01** | **(7,048.20)** | **-39.56%** |
| Noncurrent portion of: | | | | |
| Long-term debt | 8,813.86 | 6,370.78 | 2,443.08 | 38.35% |
| Bonds Payable | 5,917.25 | 2,955.14 | 2,962.11 | 100.24% |
| Liability from purchased land | 63.78 | 141.14 | (77.36) | -54.81% |
| Lease Liability | 12.30 | 31.60 | (19.30) | -61.08% |
| Pension liabilities | 231.19 | 279.63 | (48.44) | -17.32% |
| Deferred tax liabilities | 2,542.14 | 2,647.91 | (105.76) | -3.99% |
| Other noncurrent liabilities | 1,789.21 | 1,912.63 | (123.42) | -6.45% |
| **Total Noncurrent Liabilities** | **19,369.74** | **14,338.83** | **5,030.91** | **35.09%** |
| **Total Liabilities** | **30,138.56** | **32,155.84** | **(2,017.29)** | **-6.27%** |
| **EQUITY** | | | | |
| Capital stock | 6,200.85 | 6,200.85 | - | 0.00% |
| Preferred shares | 15.90 | 15.90 | - | 0.00% |
| Additional paid-in capital | 5,524.78 | 5,524.78 | - | 0.00% |
| Treasury shares | (109.67) | (109.67) | - | 0.00% |
| Other components of equity | (683.20) | (683.20) | - | 0.00% |
| Retained earnings | 10,514.10 | 9,814.34 | 699.76 | 7.13% |
| Remeasurement loss on defined benefit plan | 17.44 | (42.50) | 59.95 | -141.03% |
| Total Equity Attributable to Equity Holders of the Parent Company | **21,484.72** | 20,720.50 | 759.71 | 3.67% |
| Non-controlling interest | **2,312.34** | 1,630.17 | 682.17 | 41.85% |
| | **23,792.54** | **22,350.67** | 1,441.88 | 6.45% |
| | **₱53,931.10** | **₱54,506.51** | (575.41) | -1.06% |

**11.85% increase in cash and cash equivalents**
Increase is primarily due to cash sales and collection from matured accounts and maturity of short-term investments.

**96.44% decrease in short-term investments**
During the year the Group decreased the placement on money market exceeding three (3) months but less than one (1) year.

**3.03% decrease in total receivables and noncurrent portion of installment contract receivables**
The decrease is primarily due to collections of maturing accounts.

**9.79% increase in real estate inventories**
The increase is primarily due to acquisition of raw land of affordable housing projects amounting to P1.75 billion and reclassification of certain retail office from investment properties to real estate inventories.

**85.08% increase in due from related parties**
Due to additional advances from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

**27.89% decrease in advances to suppliers.**
The decrease is due to recoupment through progress billings from completion of Century Spire and The Residences at Commonwealth Quezon South

**7.76% decrease in investment properties**
The decrease is due to reclassification of certain retail office from investment properties to inventories due to change management intent from leasing to selling of these units.

**24.06% increase in deferred tax assets**
The increase is due to additional deferred tax assets recognized during the year.

**22.21% decrease in total other current and non-current assets**
The decrease is due to amortization of deferred selling expenses and recognition of advances to land owner to real estate inventories.

**4.88% decrease in accounts and other payables**
The decrease is due to payments of payable for the period.

**9.17% decrease in total contract liabilities**
The decrease is due to recognition of customers deposits as revenue during the period as the accounts
meet the accounting criteria for revenue recognition.

**8.66% decrease in total short-term and long-term debt**
The decrease is attributable to payments made by the Group during the year.

**37.13% decrease in total current and non-current liabilities from purchased land**
Due to payments made during the year.

**51.47% decrease in total current and non-current lease liability**
The decrease is due to retirement of lease liability in relation to office spaces the Group no longer occupies.

**12.83% increase in due to related parties**
The increase is due to additional purchases from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

**8.15% decrease in total of other current and noncurrent liabilities**
The decrease is mostly attributable to recognition of deferred lease income during the year and recognition of equity portion of deposit from preferred shares of CALC.

**17.32% decrease in pension liabilities**
The decrease is attributable to benefits paid during the year and remeasurement gain on defined benefit plan recognized during the year.

**6.45% increase in total stockholders' equity**
This is due to the net income recorded for the year ended December 31, 2022, recognition of equity portion from deposit from preferred shares of CALC, additional investment from Mitsubishi Corporation interest amounting to ₱320 million net of dividend declarations and remeasurement gain recognized during the year.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material commitments for capital expenditures.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations apart from the impact of ongoing Covid-19 pandemic.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

The top five (5) key performance indicators of the Company are shown below:

| Key Performance Indicators | 31-Dec-22 | 31-Dec-21 |
|---|---|---|
| Current Ratios (a) | 3.4x | 2.0x |
| Debt to Equity (b) | 0.7x | 0.8x |
| Debt to EBITDA (c) | 6.9x | 9.5x |
| Return on Assets (d) | 2.6% | 2.4% |
| Return on Equity (e) | 6.1% | 5.8% |

*Notes:*

6) *Current ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.*
7) *Debt to Equity ratio computed by dividing total interest-bearing debt (includes short-term and long-term debts and bonds payable) by total equity.*
8) *Debt to EBITDA is calculated by dividing EBITDA for the period by total interest-bearing debt.*
9) *Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two).*
10) *Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two).*

Current ratio increase as a result of the decline in current liabilities, primarily as a result of payment of bond during the year.

Debt to equity decreased as a result of the decline in debt from the long-term debt while total equity increased due to the net income as of December 31, 2022 and additional investment from minority interest compared to the same period as of December 31, 2021.

Debt to EBITDA decreased primarily due to the increase in EBITDA as of December 31, 2022 compared to the same period as of December 30, 2021.

Return on Assets and Return on Equity increased due to higher net income recognized during the period ended December 31, 2022 compared to the same period ended December 31, 2021.

| Financial ratios | December 31, 2022 | December 31, 2021 |
|---|---|---|
| **Liquidity Analysis Ratios** | | |
| Current Assets | 36,103,684,078 | 35,012,984,828 |
| Current Liabilities | 10,768,820,128 | 17,817,016,575 |
| **Current Ratios** | **3.4** | **2.0** |
| | | |
| Current Assets | 36,103,684,078 | 35,012,984,828 |
| Inventory | 17,723,397,564 | 16,143,099,068 |
| Quick Assets | 18,380,286,514 | 18,869,885,760 |
| Current Liabilities | 10,768,820,128 | 17,817,016,575 |
| **Quick Ratios** | **1.7** | **1.1** |
| | | |
| **Solvency Ratio** | | |
| Total Assets | 53,931,100,448 | 54,506,509,548 |
| Total Liabilities | 30,138,558,574 | 32,155,844,907 |
| **Solvency Ratio** | **1.8** | **1.7** |
| | | |
| **Financial Leverage Ratios** | | |
| Debt | 17,158,710,775 | 18,254,162,862 |
| Total Assets | 53,931,100,448 | 54,506,509,548 |
| **Debt Ratio** | **0.3** | **0.3** |
| | | |
| Short-term debt | 235,141,310 | 468,360,083 |
| Long-term debt - Current | 2,192,453,618 | 5,467,828,327 |
| Long-term debt - Non-current | 8,813,861,924 | 6,370,779,023 |
| Bonds payable | 5,917,253,923 | 5,947,195,429 |
| **Debt** | **17,158,710,775** | **18,254,162,862** |
| **Equity** | **23,792,541,874** | **22,350,664,641** |
| **Debt-to-Equity** | **0.7** | **0.8** |
| | | |
| Debt | 17,158,710,775 | 18,254,162,862 |
| Cash and Cash Equivalents | 4,130,877,582 | 3,693,074,161 |
| **Net Debt** | **13,027,833,193** | **14,561,088,701** |
| **Equity** | **23,792,541,874** | **22,350,664,641** |
| **Net Debt-to-Equity** | **0.5** | **0.7** |
| | | |
| Income befor Income Tax | 1,623,732,848 | 1,059,406,284 |
| Interest expense | 795,984,164 | 795,147,267 |
| Depreciation and amortization | 55,993,463 | 67,580,015 |
| **EBITDA** | **2,475,710,475** | **1,922,133,566** |
| | | |
| Debt | 17,158,710,775 | 18,254,162,862 |
| EBITDA | 2,475,710,475 | 1,922,133,566 |
| **Debt-to-EBITDA** | **6.9** | **9.5** |
| | | |
| Income befor Income Tax | 1,623,732,848 | 1,059,406,284 |
| Interest expense | 795,984,164 | 795,147,267 |
| **EBIT** | **2,419,717,012** | **1,854,553,551** |
| Interest expense | 795,984,164 | 795,147,267 |
| **Interest coverage ratio** | **3.0** | **2.3** |
| | | |
| **Asset to Equity Ratios** | | |
| Total Assets | 53,931,100,448 | 54,506,509,548 |
| Total Equity | 23,792,541,874 | 22,350,664,641 |
| **Asset to Equity Ratio** | **2.3** | **2.4** |
| | | |
| **Liabilities to Equity Ratios** | | |
| Total Liabilities | 30,138,558,574 | 32,155,844,907 |
| Total Equity | 23,792,541,874 | 22,350,664,641 |
| **Liabilities to Equity Ratio** | **1.3** | **1.4** |

| Financial ratios | December 31, 2022 | December 31, 2021 |
|---|---|---|
| **Profitability ratios** | | |
| Revenue | 11,126,646,235 | 9,444,895,630 |
| Gross Profit | 4,810,221,057 | 4,011,702,937 |
| **Gross Profit Ratio** | **43%** | **42%** |
| | | |
| Net Income | 1,404,759,079 | 1,269,106,148 |
| Revenue | 11,126,646,235 | 9,444,895,630 |
| **Net Income Margin** | **12.6%** | **13.4%** |
| | | |
| **Total Net Income after tax** | **1,404,759,079** | **1,269,106,148** |
| Total Asset CY | 53,931,100,448 | 54,506,509,548 |
| Total Asset PY | 54,506,509,548 | 53,008,903,420 |
| **Average total asset** | **54,218,804,998** | **53,757,706,484** |
| **Return on Asset** | **2.6%** | **2.4%** |
| | | |
| **Total Net Income after tax** | **1,404,759,079** | **1,269,106,148** |
| Total Equity CY | 23,792,541,874 | 22,350,664,641 |
| Total Equity PY | 22,350,664,641 | 21,131,273,660 |
| **Average total equity** | **23,071,603,258** | **21,740,969,151** |
| **Return on Equity** | **6.1%** | **5.8%** |
| | | |
| **Price/Earnings Ratio** | | |
| Price Per Share | 0.385 | 0.400 |
| Earnings Per Share | 0.060 | 0.065 |
| **Price/Earnings Ratio** | **6.382** | **6.193** |

**Results of Operations and Material Changes to the Company's Income Statement for the year ended December 31, 2021 compared to December 31, 2020 (increase/decrease of 5% or more)**
***(In Millions of Peso)***

| | | | Movement | |
|---|---|---|---|---|
| | **2021** | **2020** | **Amount** | **%** |
| **REVENUE** | | | | |
| Real estate revenue | ₱7,664.40 | ₱9,482.62 | (₱1,818.22) | -19.17% |
| Leasing revenue | 1,200.37 | 795.03 | 405.34 | 50.98% |
| Property management fee and other services | 400.01 | 389.72 | 10.29 | 2.64% |
| Interest income from real estate sales | 180.12 | 168.37 | 11.75 | 6.98% |
| | **9,444.90** | **10,835.74** | **(1,390.85)** | **-12.84%** |
| **COST AND EXPENSES** | | | | |
| Cost of real estate revenue | 4,808.42 | 6,082.95 | (1,274.53) | -20.95% |
| Cost of leasing | 352.04 | 226.53 | 125.51 | 55.40% |
| Cost of services | 272.73 | 285.99 | (13.26) | -4.64% |
| | **5,433.19** | **6,595.47** | **(1,162.28)** | **-17.62%** |
| **GROSS PROFIT** | **4,011.70** | **4,240.28** | **(228.57)** | **-5.39%** |
| **GENERAL, ADMINISTRATIVE AND SELLING EXPENSES** | **2,692.91** | **2,863.71** | **(170.80)** | **-5.96%** |
| **OTHER INCOME (EXPENSES)** | | | | |
| Interest and other income | 397.55 | 568.07 | (170.52) | -30.02% |
| Gain from change in fair values of investment properties | 225.50 | 558.62 | (333.12) | -59.63% |
| Income from investment in associate | 8.94 | 6.79 | 2.15 | 31.69% |
| Foreign exchange gain (loss) | 3.21 | 2.07 | 1.14 | 55.07% |
| Interest and other financing charges | (894.59) | (947.51) | 52.92 | -5.58% |
| | **(259.39)** | **188.04** | **(447.43)** | **-237.94%** |
| **INCOME BEFORE INCOME TAX** | **1,059.41** | **1,564.60** | **(505.20)** | **-32.29%** |
| **PROVISION FOR INCOME TAX** | **(209.70)** | **415.37** | **(625.07)** | **-150.48%** |
| **NET INCOME** | **₱1,269.11** | **₱1,149.23** | **₱119.87** | **10.43%** |

In 2021, persistent lockdowns imposed by the government slowed down the sales take-up, collections, construction activities and project launches, as a continuing effect of the pandemic. This mostly affected in city vertical condominium projects of the Group, resulting to a 19% decline in total real estate sales.

However, affordable housing projects, which are located outside Metro Manila, continue to improve its revenue contribution from P2.2B in 2020 to P3.91B in 2021. This is a result of the initial recognition of real estate sales revenues from newly launched projects of affordable housing projects in 2021 off-setting such decline.

The increase in leasing revenue is a result of the rentals from the Century Diamond Tower, contributing full year rental in 2021 against its initial rental contribution in 2020, its year of completion. While mall operations declined, the impact on the leasing portfolio is not significant as its contribution is marginal to the total revenue of the Company prior to the COVID-19 pandemic.

**19.17% decrease in real estate revenue**
Real estate revenue has decreased as a result of the slowdown both in sales conversion, construction and development activities and project launches due to prevailing community quarantine restrictions, primarily from in city vertical housing projects.

**50.98% increase in leasing revenue**
The increase was mainly due to the full year lease revenue recognition of Century Diamond Tower and Asian Century Center.

**6.98% increase in interest income from real estate sales**
Interest income from real estate sales represents interest accretion from installment contract receivables (ICR) and contract asset recognized during the year. Discount subject to accretion arises from the difference between present value of ICR and contract asset and its nominal value. Income slightly increased from the sale of units still in progress in 2021.

**20.95% decrease in cost of sales**
The decrease is mainly due to lower real estate revenues.

**55.40% increase in cost of leasing**
The increase is directly attributable to higher leasing revenues.
.
**5.96% decrease in general, administrative and selling expenses**
The decrease is a result of further rationalization of operations efficiencies during the year.

**30.02% decrease in interest and other income**
The decrease is primarily attributable to lower level of income from forfeited collections or cancelled buyers' accounts.

**31.69% increase in share in net income from its associate**
The increase is due to higher reported income of some associates.

**59.63% decrease in gain from fair value of investment property**
The decrease was mainly due to lower incremental fair value appreciation of Century Diamond Tower in 2021 compared to 2020, the year when initial recognition of fair value gain was recognized.

**5.58% decrease in interest and other financing charges**
The decrease was mainly due to lower borrowing rates and outstanding interest-bearing debts in 2021 compared with 2020.

**150.48% decrease in Provision for Income Tax**
The decrease was primarily due to lower taxable income during the period and impact of change in corporate income tax rate as a result of CREATE Law.

**As a result of the foregoing, net income increased by 10.43%.**

## Financial Condition and Material Changes to the Company's Income Statement for the year ended December 31, 2021 compared to December 31, 2020 (increase/decrease of 5% or more)

***(In Millions of Peso)***

| | 2021 | 2020 | Movement Amount | % |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and cash equivalents | ₱3,693.07 | ₱2,473.56 | (₱1,219.51) | 49.30% |
| Short-term investments | 1,032.51 | 285.24 | 747.27 | 261.98% |
| Receivables | 9,295.13 | 11,491.05 | (2,195.92) | -19.11% |
| Real estate inventories | 16,143.10 | 14,651.33 | 1,491.77 | 10.18% |
| Due from related parties | 526.96 | 464.42 | 62.54 | 13.47% |
| Advances to suppliers and contractors | 2,426.74 | 2,427.70 | (0.96) | -0.04% |
| Investment in bonds | - | 463.75 | (463.75) | -100.00% |
| Other current assets | 1,895.46 | 1,809.89 | 85.57 | 4.73% |
| **Total Current Assets** | **35,012.97** | **34,066.94** | **946.03** | **2.78%** |
| Noncurrent portion of installment contract receivables | 366.00 | 124.78 | 241.22 | 193.32% |
| Deposits for purchased land | 1,358.81 | 1,354.24 | 4.57 | 0.34% |
| Investments in and advances to joint ventures and associate | 274.50 | 265.56 | 8.94 | 3.37% |
| Investment properties | 13,995.04 | 13,627.59 | 367.45 | 2.70% |
| Property and equipment | 1,815.84 | 1,783.59 | 32.25 | 1.81% |
| Deferred tax assets – net | 26.76 | 86.28 | (59.52) | -68.98% |
| Other noncurrent assets | 1,656.58 | 1,699.92 | (43.34) | -2.55% |
| **Total Noncurrent Assets** | **19,493.53** | **18,941.96** | **551.57** | **2.91%** |
| **TOTAL ASSETS** | **54,506.50** | **53,008.90** | **1,497.60** | **2.83%** |
| **LIABILITIES** | | | | |
| Accounts and other payables | 5,251.09 | 5,591.63 | (340.54) | -6.09% |
| Contract liabilities | 3,048.61 | 1,457.78 | 1,590.83 | 109.13% |
| Short-term debt | 468.36 | 811.95 | (343.59) | -42.32% |
| Current portion of: | | | | |
| Long-term debt | 5,467.83 | 5,447.30 | 20.53 | 0.38% |
| Bonds Payable | 2,992.06 | 118.78 | 2,873.28 | 2,418.98% |
| Liability from purchased land | 67.20 | 67.20 | - | 0.00% |
| Lease Liability | 25.53 | 4.52 | 21.01 | 464.82% |
| Due to related parties | 317.36 | 270.01 | 47.35 | 17.54% |
| Income Tax Payable | 69.41 | 61.50 | 7.91 | 12.86% |
| Other current liabilities | 109.55 | 352.67 | (243.12) | -68.94% |
| **Total Current Liabilities** | **17,817.00** | **14,183.34** | **3,633.66** | **25.62%** |
| Noncurrent portion of: | | | | |
| Long-term debt | 6,370.78 | 9,408.87 | (3,038.09) | -32.29% |
| Bonds Payable | 2,955.14 | 2,965.99 | (10.85) | -0.37% |
| Liability from purchased land | 141.14 | 208.33 | (67.19) | -32.25% |
| Lease Liability | 31.60 | - | 31.60 | 100.00% |
| Pension liabilities | 279.63 | 372.99 | (93.36) | -25.03% |
| Deferred tax liabilities | 2,647.91 | 2,951.53 | (303.62) | -10.29% |
| Other noncurrent liabilities | 1,912.63 | 1,786.57 | 126.07 | 7.06% |
| **Total Noncurrent Liabilities** | **14,338.83** | **17,694.28** | **(3,355.45)** | **-18.96%** |
| **Total Liabilities** | **32,155.83** | **31,877.62** | **278.21** | **0.87%** |
| **EQUITY** | | | | |
| Capital stock | 6,200.85 | 6,200.85 | - | 0.00% |
| Preferred shares | 15.90 | 15.90 | - | 0.00% |
| Additional paid-in capital | 5,524.78 | 5,524.78 | - | 0.00% |
| Treasury shares | (109.67) | (109.67) | - | 0.00% |
| Other components of equity | (683.20) | (682.85) | (0.35) | 0.05% |
| Retained earnings | 9,814.34 | 9,028.95 | 785.39 | 8.70% |
| Remeasurement loss on defined benefit plan | (42.50) | (118.50) | 76.00 | -64.14% |
| Total Equity Attributable to Equity Holders of the Parent Company | 20,720.50 | 19,859.46 | 861.04 | 4.34% |
| Non-controlling interest | 1,630.17 | 1,271.82 | 358.35 | 28.18% |
| | **22,350.67** | **21,131.28** | **1,219.39** | **5.77%** |
| | **₱54,506.50** | **₱53,008.90** | **₱1,497.60** | **2.83%** |

**49.30% increase in cash and cash equivalents**
Increase is primarily due to cash sales and collection from matured accounts.

**261.98% increase in short-term investments**
The increase is primarily due to additional short-term money market placements more than 3 months.

**16.83% decrease in total receivables and noncurrent portion of installment contract receivables**
The decrease is primarily due to collections of maturing accounts.

**10.18% increase in real estate inventories**
The increase is primarily due to acquisition of raw land of affordable housing projects amounting to P1.58 billion.

**13.47% increase in due from related parties**
Due to additional advances from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

**6.09% decrease in accounts and other payables**
Decrease was due to payments made to contractors and suppliers and lower accrued expenses for the period as in-city vertical projects are nearing completion.

**109.13% increase in total contract liabilities**
The increase is attributable to collections from customers booked as liability pending satisfaction of criteria for revenue recognition.

**21.45% decrease in total short-term and long-term debt**
Decrease was due to repayment of loans and lower loan drawdowns.

**92.79% increase in total current and non-current bonds payable**
The increase is due to the newly issued ₱3 billion bond in March 2021.

**24.39% decrease in total current and non-current liabilities from purchased land**
Due to payments made during the year.

**1,163.94% increase in total current and non-current lease liability**
This pertains to the lease liability accrued from the lease contract entered by the Group as a lessee in accordance with PFRS 16.

**17.54% increase in due to related parties**
The increase is due to additional purchases from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

**12.86% increase in tax payable**
This is mostly attributable to the higher taxable income recognized during the year.

**5.47% decrease in total of other current and noncurrent liabilities**
The decrease is mostly attributable to recognition of advance rental during the year.

**25.03% decrease in pension liabilities**
The decrease is attributable to benefits paid during the year and remeasurement gain on defined benefit plan recognized during the year.

**10.29% decrease in deferred tax liabilities**
This is mostly attributable to the impact of the CREATE Law.

**5.77% increase in total stockholders' equity**
This is due to the net income recorded for the year ended December 31, 2021, additional investment from Mitsubishi Corporation interest amounting to ₱200 million net of dividend declarations and remeasurement gain recognized during the year.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material commitments for capital expenditures.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations apart from the impact of ongoing Covid-19 pandemic.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

The top five (5) key performance indicators of the Company are shown below:

| Key Performance Indicators | 31-Dec-21 | 31-Dec-20 |
|---|---|---|
| Current Ratios (a) | 2.0x | 2.4x |
| Debt to Equity (b) | 0.8x | 0.9x |
| Debt to EBITDA (c) | 9.5x | 7.8x |
| Return on Assets (d) | 2.4% | 2.2% |
| Return on Equity (e) | 5.8% | 5.6% |

*Notes:*
*11) Current ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.*
*12) Debt to Equity ratio computed by dividing total interest-bearing debt (includes short-term and long-term debts and bonds payable) by total equity.*
*13) Debt to EBITDA is calculated by dividing EBITDA for the period by total interest-bearing debt.*
*14) Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two).*
*15) Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two).*

Current ratio decreased mainly due to the increase in current liabilities, primarily as a result of in maturing of bonds payable and long-term debt.

Debt to equity decreased as a result of the decline in debt from the long-term debt while total equity increased due to the net income as of December 31, 2021 and additional investment from minority interest compared to the same period as of December 31, 2020.

Debt to EBITDA increased primarily due to the decline in EBITDA as of December 31, 2021 compared to the same period as of December 30, 2020.

Return on Assets and Return on Equity increased due to higher net income recognized during the period ended December 31, 2021 compared to the same period ended December 31, 2020.

| Financial ratios | 31-Dec-21 (Unaudited) | 31-Dec-20 (Unaudited) |
|---|---|---|
| **Liquidity Analysis Ratios** | | |
| Current Assets | 35,012,984,828 | 34,066,943,185 |
| Current Liabilities | 17,817,016,575 | 14,183,354,919 |
| **Current Ratio** | **2.0** | **2.4** |
| | | |
| Current Assets | 35,012,984,828 | 34,066,943,185 |
| Inventory | 16,143,099,068 | 14,651,328,952 |
| Quick Assets | 18,869,885,760 | 19,415,614,233 |
| Current Liabilities | 17,817,016,575 | 14,183,354,919 |
| **Quick Ratio** | **1.1** | **1.4** |
| | | |
| Total Assets | 54,506,509,548 | 53,008,903,420 |
| Total Liabilities | 32,155,844,907 | 31,877,629,760 |
| **Solvency Ratio** | **1.7** | **1.7** |
| | | |
| **Financial Leverage Ratios** | | |
| Debt | 18,254,162,862 | 18,752,890,687 |
| Total Assets | 54,506,509,548 | 53,008,903,420 |
| **Debt Ratio** | **0.3** | **0.4** |
| | | |
| Short-term debt | 468,360,083 | 811,948,735 |
| Long-term debt - Current | 5,467,828,327 | 5,447,303,305 |
| Long-term debt - Non-current | 6,370,779,023 | 9,408,872,360 |
| Bonds payable | 5,947,195,429 | 3,084,766,287 |
| **Debt** | **18,254,162,862** | **18,752,890,687** |
| **Equity** | **22,350,664,641** | **21,131,273,660** |
| **Debt-to-Equity** | **0.8** | **0.9** |
| | | |
| Debt | 18,254,162,862 | 18,752,890,687 |
| Cash and Cash Equivalents | 3,693,074,161 | 2,473,555,750 |
| **Net Debt** | **14,561,088,701** | **16,279,334,937** |
| **Equity** | **22,350,664,641** | **21,131,273,660** |
| **Net Debt-to-Equity** | **0.7** | **0.8** |
| | | |
| Debt | 18,254,162,862 | 18,752,890,687 |
| EBITDA | 1,922,133,566 | 2,408,094,098 |
| **Debt-to-EBITDA** | **9.5** | **7.8** |
| Income before Income Tax | 1,059,406,284 | 1,564,604,768 |
| Interest expense | 795,147,267 | 784,022,304 |
| Depreciation and amortization | 67,580,015 | 59,467,026 |
| **EBITDA** | **1922133566** | **2,408,094,098** |
| | | |
| Income before Income Tax | 1,059,406,284 | 1,564,604,768 |
| Interest expense | 795,147,267 | 784,022,304 |
| **EBIT** | **1,854,553,551** | **2,348,627,072** |
| Interest expense | 795,147,267 | 784,022,304 |
| **Interest Coverage Ratio** | **2.3** | **3.0** |
| | | |
| **Asset to Equity Ratios** | | |
| Total Assets | 54,506,509,548 | 53,008,903,420 |
| Total Equity | 22,350,664,641 | 21,131,273,660 |
| **Asset to Equity Ratio** | **2.4** | **2.5** |
| | | |
| **Liabilities to Equity Ratios** | | |
| Total Liabilities | 32,155,844,907 | 31,877,629,760 |
| Total Equity | 22,350,664,641 | 21,131,273,660 |
| **Liabilities to Equity Ratio** | **1.4** | **1.5** |

| Financial ratios | 31-Dec-21 (Unaudited) | 31-Dec-20 (Unaudited) |
|---|---|---|
| **Profitability ratios** | | |
| Revenue | 9,444,895,630 | 10,835,744,692 |
| Gross Profit | 4,011,702,937 | 4,240,276,075 |
| **Gross Profit Ratio** | **42%** | **39%** |
| | | |
| Net Income | 1,269,106,148 | 1,149,234,036 |
| Revenue | 9,444,895,630 | 10,835,744,692 |
| **Net Income after Tax Margin** | **13.4%** | **10.6%** |
| | | |
| **Total Net Income after tax** | **1,269,106,148** | **1,149,234,036** |
| Total Asset CY | 54,506,509,548 | 53,008,903,420 |
| Total Asset PY | 53,008,903,420 | 53,441,685,612 |
| **Average total asset** | **53,757,706,484** | **53,225,294,516** |
| **Return on Asset** | **2.4%** | **2.2%** |
| | | |
| **Total Net Income after tax** | **1,269,106,148** | **1,149,234,036** |
| Total Equity CY | 22,350,664,641 | 21,131,273,660 |
| Total Equity PY | 21,131,273,660 | 19,615,569,488 |
| **Average total equity** | **21,740,969,151** | **20,373,421,574** |
| **Return on Equity** | **5.8%** | **5.6%** |
| | | |
| **Price/Earnings Ratio** | | |
| Price Per Share | 0.400 | 0.450 |
| Earnings Per Share | 0.078 | 0.038 |
| **Price/Earnings Ratio** | **5.153** | **11.786** |

**Factors which may have material impact in Company's operations**

**Economic factors**

The economic situation in the Philippines significantly affects the performance of the Company's business. For the residential products, the Group is sensitive to changes in domestic interest and inflation rates. Higher interest rates tend to discourage potential buyers of residential units as mortgages become unaffordable to them. An inflationary environment will adversely affect the Group, as well as the real estate industry, by increases in costs such as land acquisition, labor and material. Although the Group may pass on the additional costs to buyers, there is no assurance that this will not significantly affect the Group's sales.

**Competition**

Please refer to the discussion on Competition found in Item 1.4 of this report.

**Capital Expenditures**

The table below sets out our actual capital expenditures in 2020, 2021, 2022 and 2023.

| | **Expenditure (in millions)** |
|---|---|
| 2020 | 6,231.6 |
| 2021 | 6,543.1 |
| 2022 | 5,841.7 |
| 2023 | 5,890.1 |

The Group has historically sourced funding for capital expenditures through internally generated funds and credit facilities from commercial banks.

The Company expects to fund budgeted capital expenditures principally through the existing cash and cash from operations, through borrowings and through Offering. The Company's capital expenditure plans are based on management's estimates, and are subject to a number of variables, including: possible cost overruns; construction and development delays; the receipt of Government approvals; availability of financing on acceptable terms; changes in management's views of the desirability of current plans; the identification of new projects and potential acquisitions; and macroeconomic factors such as the Philippines' economic performance and interest rates. Accordingly, we might not execute our capital expenditure plans as contemplated or at or below estimated cost.

## ITEM 7. FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries are filed as part of this Form 17-A.

## ITEM 8. INFORMATION ON INDEPENDENT ACCOUNTANTS

### Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

SGV & Co., independent auditors, audited the consolidated financial statements of the Company as at December 31, 2023, 2022, and 2021 and for the years ended December 31, 2023, 2022 and 2021 without qualification and reviewed the accompanying interim condensed consolidated statement of financial position of CPGI and Subsidiaries as at September 30, 2023 and for the nine-month periods ended September 30, 2023 and 2022, included in this Annual Report. A review is substantially less in scope than an audit conducted in accordance with PSA and consequently does not enable them to obtain assurance that they would become aware of all significant matters that might be identified in an audit. SGV & Co. has no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate or to subscribe to the securities of the Company, in accordance with the professional standards on independence set by the Board of Accountancy and Professional Regulation Commission.

### External Audit Fees

The following table sets out the aggregate fees billed for each of the last two fiscal years and interim third quarter 2023 for professional services rendered by SGV & Co.

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Audit and audit-related fees | ₱9.4 million | ₱8.6 million | ₱7.8 million |

.....

The Audit Committee recommends to the Board of Directors the discharge or nomination of the external auditor to be proposed for shareholder approval at CPGI's annual shareholders meeting, approve all audit engagement fees and terms of the external auditor, and review its performance. It also reviews and discusses with management and the external auditors the results of the audit, including any difficulties encountered. This review includes any restrictions on the scope of the external auditor's activities or on access to requested information, and any significant disagreements with Management.

The Audit Committee also evaluates, determines, and pre-approves any non-audit service provided to the Company and its subsidiaries by the external auditors and keeps under review the non-audit fees paid to the external auditors both in relation to their significance to the auditor and in relation to the total expenditure on consultancy.

No engagement for other services from SGV and Co. either for professional services, tax accounting compliance, advice and planning nor any services rendered for products and services other than the aforementioned audit services reported in 2023.

# PART III. CONTROL AND COMPENSATION INFORMATION

## ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

### BOARD OF DIRECTORS

The Directors of the Company are elected at the regular annual stockholders' meeting. They hold office for a term of one (1) year until the next succeeding annual meeting and until their respective successors have been elected and qualified. The executive officers hold office until their respective successors have been elected and qualified.

The directors of the Company as of December 31, 2023, are as follows:

| Name of Director | Position | Age | Citizenship |
|---|---|---|---|
| Jose E.B. Antonio | Executive Chairman | 77 | Filipino |
| John Victor R. Antonio | Vice Chairman | 51 | Filipino |
| Jose Marco R. Antonio | President and CEO | 49 | Filipino |
| Jose Carlo R. Antonio | Director | 40 | Filipino |
| Hilda R. Antonio | Director | 76 | Filipino |
| Stephen T. CuUnjieng | Independent Director | 64 | Filipino |
| Carlos C. Ejercito | Independent Director | 78 | Filipino |
| Jose L. Cuisia, Jr. | Independent Director | 79 | Filipino |
| Aileen Christel U. Ongkauko | Independent Director | 55 | Filipino |
| Rafael G. Yaptinchay | Director | 73 | Filipino |
| Ricardo P. Cuerva | Director | 79 | Filipino |
| Danny E. Bunyi | Corporate Secretary | 58 | Filipino |
| Carlos Benedict K. Rivilla, IV | Assistant Corporate Secretary/ Vice-President Corporate Affairs | 52 | Filipino |
| Ponciano S. Carreon, Jr. | Chief Financial Officer/Corporate Treasurer/Investor Relations Officer | 49 | Filipino |
| Julienne Cruz | Group Head for Corporate Communications | 40 | Filipino |
| Atty. Isabelita Ching Sales | Group Head for Legal Services and Corporate Affairs, Chief Information Officer and Chief Compliance Officer | 44 | Filipino |
| Ritchelle T. Cordero | Group Head for Human Resources and Administration | 43 | Filipino |

**Amb. Jose E.B. Antonio,** 77 years old, Filipino, is one of the founders and Executive Chairman of the Board of the Company and its Subsidiaries. He graduated *cum laude* from San Beda College, Manila in 1966 with a Bachelor's Degree in Commercial Science (major in Marketing) and received a Master's Degree in Business Management in 1968 from Ateneo de Manila's Graduate School of Business. Chairman Antonio also graduated from Harvard University's Owner/President Management Program in 2003. Chairman Antonio served as the Philippines Special Envoy for Trade and Economics to the People's Republic of China in 2005 and is currently the Chairman of Century Asia Corporation, Prestige Cars, Inc., and Philtranco Service Enterprises. He is also the founder and Chairman of the Philippine-China Business Council Inc. In addition, he serves as the Vice Chairman of Penta Pacific Realty Corporation, and Subic Air Charter, Inc. Mr. Antonio has also been duly appointed by former President Duterte as *the* Philippines' special envoy to the United States of America ("U.S.A."), effective 28 October 2016. His mission is to enhance business ties and strengthen the economic affairs between the two countries.

**Mr. John Victor R. Antonio**, 51 years old, Filipino, is Vice-Chairman of the Company. He has been with the Company for 17 years and is involved in managing projects in the Company's middle income and affordable product lines, including Gramercy Residences and Azure Urban Residences. He graduated *magna cum laude* with a Bachelor's Degree in Economics (major in Marketing) from the University of Pennsylvania's Wharton School in 1993 and finished his Master's in Business Administration ("MBA") program from the Wharton School in 2003.

**Mr. Jose Marco R. Antonio**, 49 years old, Filipino, is President and Chief Executive Officer of the Company. Prior to joining the Company, he worked at Blackstone Real Estate Partners as a financial analyst. He has been with the Company for 16 years and is involved in managing projects in the Company's middle income and affordable product lines, including Canyon Ranch, Knightsbridge Residences, and Acqua Private Residences. He graduated *summa cum laude* with a Bachelor's Degree in Economics (dual major in Finance and Entrepreneurial Management) from the University of Pennsylvania's Wharton School in 1995 and received his MBA from the Wharton School in 2004.

**Mr. Jose Carlo R. Antonio**, 40 years old, Filipino, is a Director of the Company and a member of the Board of Directors. Prior to joining the Company in 2007, he worked in the investment banking groups of Citigroup and Goldman Sachs. He graduated *magna cum laude* with a Bachelor's Degree in Economics (major in Finance) from the University of Pennsylvania's Wharton School in 2005.

**Ms. Hilda R. Antonio**, 76 years old, Filipino, is a Director of the Company and a member of the Board. She is the wife of the Chairman, Amb. Jose E.B. Antonio. She is a philanthropist and a member of the Board of Directors of CPI, Museum Properties, Inc., Heirloom Properties Inc., and Sovereign Property Holdings. She graduated from Assumption College of Manila with a degree in Economics.

**Mr. Ricardo P. Cuerva**, 79 years old, Filipino, is a Director of the Company and a member of the Board. Mr. Cuerva was a co-founder of Meridien and served as Meridien's President from 1988 to 1996. He also currently serves as a member of the Rotary Club of Makati City. Mr. Cuerva graduated from San Beda College in 1961 with a Bachelor of Science Degree in Business Administration and obtained his MBA from Ateneo De Manila in 1971. Mr. Cuerva is the President and owner of Century Project Management and Construction Corporation, which oversees the construction of the Company's vertical developments.

**Mr. Rafael G. Yaptinchay**, 73 years old, Filipino, is a Director of the Company and a member of the Board. Mr. Yaptinchay was a co-founder of Meridien and served as Meridien's President from 1996 to 2009. He previously served as the Assistant Treasurer and Head of Business Development/Corporate Planning of Philippine National Construction Corporation. Mr. Yaptinchay is a member of the Rotary Club of Ortigas and the Association of Asian Manager, Inc. Mr. Yaptinchay graduated from Ateneo de Manila University in 1971 with a Bachelor's Degree (major in Economics) and received his MBA from Asian Institute of Management in 1974.

**Amb. Jose L. Cuisia Jr.,** 79 years old, Filipino citizen, is the former Ambassador Extraordinary and Plenipotentiary of the Republic of the Philippines to the U.S.A. Ambassador Cuisia is also well-respected figure in Philippine business, with over 32 years in financial services, most recently as the President and Chief Executive Officer ("CEO") of the largest and most profitable non-bank financial institution on the Philippines. He serves on the boards of many of the Philippines' most important private and listed companies and has shared his expertise as Trustee on various academic institutions and non-Government organizations espousing good governance and corporate social responsibility, including the Asian Institute of Management. Ambassador Cuisia has over 10 years of experience in public service, having served Filipinos as the Governor of the Central Bank of the Philippines and Chairman of its Monetary Board as well as President and CEO of SSS in the 1980s and 1990s. At the Central Bank, Ambassador Cuisia oversaw the liberalization of foreign exchange controls, resulting in, among others, the entry of more substantial foreign direct investment that strengthened the Philippine Peso and the country's foreign exchange reserves. The Ambassador also led the efforts in establishing what is now the BSP, allowing it to become a more effective guardian of monetary policy and ensuring the stability of the banking system. Amb. Cuisia also serves as Director to various companies namely: Investment & Capital Corporation of the Philippines, Asian Institute of Management, Phinma Corporation, SM Prime Holdings Inc., and Philippine Investment Management, Inc. He likewise serves as an Independent Director of Manila Water Company, Inc.

**Mr. Stephen T. CuUnjieng**, 64 years old, Filipino citizen, is a prominent investment banker, and currently serves as an Independent Director of Aboitiz Equity Ventures, Inc. He has a long and extensive experience in investment banking with several major financial institutions including HFS Capital LLC and Evercore Partners, Inc., as well as the Chairman of Evercore Asia Limited. He is an advisor to a number of Asia's most prominent companies like San Miguel Corporation, Samsung Electronics, Tiger Airways, among others. He finished his undergraduate and law degree from Ateneo De Manila University and later on, earned his MBA degree from the Wharton School of Business at the University of Pennsylvania.

**Mr. Carlos C. Ejercito**, 78 years old, Filipino, is the former Chairman of the UCPB and currently the Chairman and CEO of Northern Access Mining, Inc., Forum Cebu Coal Corporation, and Kaipara Mining and Development Corporation. He graduated Cum Laude from the University of the East where he finished his Bachelor's Degree in Business Administration. He became a Certified Public Accountant in 1966. He received his MBA at the Ateneo Graduate School of Business in 1976 and graduated from his Management Development Program in 1983 at the Harvard Business School. As of date, he serves as an Independent Director at Aboitiz Power Corporation, Bloomberry Resorts Corporation, and Monte Oro Resources and Energy Corporation.

**Ms. Aileen Christel U. Ongkauko**, 55 years old, Filipino citizen, is concurrently the Group President and CEO of La Filipina Uy Gongco Corporation & Subsidiaries, a highly diversified agribusiness, livestock, and food company established more than a century ago. She is also a

Director of South Balibago Resources Inc. and Ateneo Family Business Development Center. Ms. Ongkauko was also former Director of Aboitiz Equity Ventures International, Aboitiz Power International, Pilmico International, and Advisor to the Board for Weather Philippines, Inc. She graduated *magna cum laude* and was a Departmental Awardee from Ateneo de Manila University, where she earned her degree in Bachelor of Arts in Management Economics.

**Atty. Danny E. Bunyi**, 58 years old, Filipino, is the Corporate Secretary of the Company. He is likewise a Senior Partner at Divina Law Offices and a lecturer at John Gokongwei School of Management in Ateneo de Manila University and at the Trust Institute Foundation of the Philippines. He was the Senior Vice President and Corporate Secretary of the Development Bank of the Philippines and the Chief Compliance Officer and Legal Services Group Head of Robinsons Bank. He was also the Legal Counsel for Consumer Banking of Standard Chartered Bank (Manila Office) and the Head of the Legal Advisory Division of the Philippine Commercial International Bank. He completed the Finance for Senior Executives Program in the Asian Institute of Management as well as the course on Trust Operations and Investment Management conducted by the Trust Institute Foundation of the Philippines. He obtained his law degree at the Ateneo de Manila University, with a Bachelor's Degree in Business Management, major in Legal Management, from the same university. Atty. Bunyi has extensive work experience in the field of banking and finance, trust banking and investment management, and corporate and special projects.

**Mr. Carlos Benedict K. Rivilla IV**, 52 years old, Filipino, is the Assistant Corporate Secretary and Vice-President for Corporate Affairs of the Company. As part of his experience in the business sector, he served as Corporate Compliance Officer and Vice-President for Finance in a corporation engaged in mass media for four (4) years in Cebu City and also previously handled corporate affairs for the Company and served as Director and Corporate Secretary of various businesses in Makati City. He joined the Company in 2007. Mr. Rivilla is a graduate of University of San Jose Recoletos. Mr. Rivilla was appointed Assistant Corporate Secretary on 17 August 2011.

**Mr. Ponciano S. Carreon, Jr.**, 49 years old, Filipino, is the Chief Financial Officer ("**CFO**"), Corporate Treasurer, and Head for Investor Relations. He currently sits as an Independent Director and Chairman of the Audit and Compliance Committee of Northpoint Development Bank. Prior to joining CPGI, he served as CFO of Landco Pacific Corporation, CFO of Arthaland Corporation, Assistant Vice President of Controllership at SM Development Corporation, Controller of Crown Asia Properties, Inc., a Vista Land subsidiary, and as member of the Board of Directors of Club Punta Fuego Inc., Fuego Land Corporation, and Fuego Development Corporation. He also brings with him solid banking experience having served as a bank controller, audit head and examiner. He is an Ateneo-BAP Certified Treasury Professional, a *cum laude* graduate of Bachelor of Science in Accountancy degree at San Beda College and a Certified Public Accountant Licensure Examination board topnotcher.

**Ms. Julienne Cruz,** 40 years old, Filipino, is the new Group Head for Corporate Communications of the Company effective 1 November 2021. Prior to joining the Company in 2007, she served as a Public Relations ("**PR**") Associate in Grupo Agatep (formerly Agatep Associates) and a television production member of various motoring media shows. As part of her corporate background, she served as PR Associate, Advertising Manager, Marketing Communications Manager, and Assistant Vice President for Communications of the Company until 2020. She graduated with a Bachelor's Degree in Communication Arts from Miriam College Quezon City in 2005. Ms. Cruz is taking her MBA degree through the Regis program of the Ateneo Graduate School of Business in Makati.

**Atty. Isabelita Ching-Sales**, 44 years old, Filipino, serves as the Company's Group Head for Legal Services and Corporate Affairs, Chief Information Officer, and Chief Compliance Officer. Prior to joining Century Properties, Atty. Ching-Sales was the Chief Legal Counsel and Chief Information Officer of Asiatrust Development Bank, also a publicly-listed company. Having undergone extensive training and experience on loans, credit, and branch banking operations, she was also appointed Head for Credit Support Department, and still is the Corporate Secretary of Asiatrust Development Bank, now NextGenesis Corporation. Atty Ching-Sales also worked as Head for Operations of China Banking Corporation's Acquired Assets Division. She graduated from the University of Sto. Tomas with a Bachelor's Degree in Legal Management and obtained her degree in Bachelor of Laws and Juris Doctor degree at San Beda College of Law and San Sebastian College Recoletos Manila, Institute of Law.

**Mr. Ritchelle T. Cordero**, 43 years old, Filipino, is the Group Head for Human Resources and Administration of the Company. He graduated with academic distinction from San Beda College, Manila in 2002 with the degree of Bachelor of Arts in Philosophy and Human Resources Development. He completed the Executive MBA degree program at the Asian Institute of Management in 2017. Prior to joining the Company, he was the Human Resources ("**HR**") Manager of Ayala Property Management Corporation, a subsidiary of Ayala Land Inc., HR Officer of DMCI Project Developers, Inc., and HR & Quality Management Officer of Asiatic Development Corporation.

All the directors and members of the senior management of the Company possess a high degree of integrity and character and are fully capable and able to perform their duties as directors and members of senior management, respectively. The Company does not believe that its business is dependent on the services of any particular employee.

**Information on the Board's Election and Years of Service:**

| Director's Name | Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)] | If nominee, identify the principal | Nominator in the last election (if ID, state the relationship with the nominator) | Date first elected | Date last elected (if ID, state the number of years served as ID) | Elected when (Annual /Special Meeting) | No. of years served as director |
|---|---|---|---|---|---|---|---|
| Jose E.B. Antonio | ED | CPI | Marnelli A. Sales –None | 07/11/2011 | 06/30/2023 | Annual | 12 |
| Jose L. Cuisia, Jr. | ID | CPI | Marnelli A. Sales – None | 06/22/2015 | 06/30/2023 | Annual | 8 |
| Stephen T. CuUnjieng | ID | CPI | Marnelli A. Sales– None | 06/22/2015 | 06/30/2023 | Annual | 8 |
| Carlos C. Ejercito | ID | CPI | Marnelli A. Sales – None | 06/22/2015 | 06/30/2023 | Annual | 8 |
| John Victor R. Antonio | ED | CPI | Marnelli A. Sales – None | 07/11/2011 | 06/30/2023 | Annual | 12 |
| Jose Marco R. Antonio | ED | CPI | Marnelli A. Sales – None | 07/11/2011 | 06/30/2023 | Annual | 12 |
| Jose Carlo R. Antonio | ED | CPI | Marnelli A. Sales – None | 07/11/2011 | 06/30/2023 | Annual | 12 |

| Director's Name | Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)] | If nominee, identify the principal | Nominator in the last election (if ID, state the relationship with the nominator) | Date first elected | Date last elected (if ID, state the number of years served as ID) | Elected when (Annual /Special Meeting) | No. of years served as director |
|---|---|---|---|---|---|---|---|
| Rafael G. Yaptinchay | ED | CPI | Marnelli A. Sales – None | 07/11/2011 | 06/30/2023 | Annual | 12 |
| Ricardo P. Cuerva | NED | CPI | Marnelli A. Sales – None | 07/11/2011 | 06/30/2023 | Annual | 12 |
| Hilda R. Antonio | NED | CPI | Marnelli A. Sales – None | 06/14/2019 | 06/30/2023 | Annual | 4 |
| Aileen Christel U. Ongkauko | ID | CPI | Marnelli A. Sales – None | 04/17/2021 | 06/30/2023 | Annual | 3 |

## Voting Result of the last Annual General Meeting (June 30, 2023)

| Name of Director | Votes Received |
|---|---|
| Jose E.B. Antonio | 9,086,536,156 shares of 78.33% |
| Jose L. Cuisia, Jr | 9,086,536,156 shares of 78.33% |
| Stephen T. CuUnjieng | 9,093,588,156 shares or 78.40% |
| Carlos C. Ejercito | 9,093,588,156 shares or 78.40% |
| Aileen Christel U. Ongkauko | 9,093,588,156 shares or 78.40% |
| John Victor R. Antonio | 9,086,536,156 shares of 78.33% |
| Jose Marco R. Antonio | 9,086,536,156 shares of 78.33% |
| Jose Carlo R. Antonio | 9,086,536,156 shares of 78.33% |
| Rafael G. Yaptinchay | 9,086,536,156 shares of 78.33% |
| Ricardo P. Cuerva | 9,086,536,156 shares of 78.33% |
| Hilda R. Antonio | 9,093,588,156 shares or 78.40% |

## Directorships in Other Companies

The Chief Executive Officer and other executive directors of the Company submit themselves to a low indicative limit on membership in other corporate boards, within the limit as may be allowed by the Securities Regulations Code and relevant rules on Corporate Governance. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. An exception to this rule may be applied to memberships in the corporate boards of subsidiaries or affiliates of the Company. In any case, the capacity of directors to serve the Company with diligence shall not be compromised.

## A. Directorships in the Company's Group

| Director's Name | Corporate Name of the Group Company | Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman. |
|---|---|---|
| Jose E.B. Antonio | Century Properties Inc. (CPI, Parent Company)<br><br>Century City Development Corporation (CCDC)<br><br>Century City Corporation (CCC)<br><br>Century Limitless Corporation (CLC)<br><br>Century Properties Management Inc. (CPMI) | Executive, Chairman<br><br>Executive, Chairman<br><br>Executive, Chairman<br><br>Executive, Chairman<br><br>Executive, Chairman |
| John Victor R. Antonio | CPI<br>CCDC<br>CCC<br>CLC<br>CPMI | Executive<br>Executive<br>Executive<br>Executive<br>Executive |
| Jose Marco R. Antonio | CPI<br>CCDC<br>CCC<br>CLC<br>CPMI | Executive<br>Executive<br>Executive<br>Executive<br>Executive |
| Jose Carlo R. Antonio | CPI<br>CLC<br>CPMI | Executive<br>Executive<br>Executive |
| Rafael G. Yaptinchay | CPI | Executive |

## B. Directorships in Other Listed Companies

| Director's Name | Name of Listed Company | Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman. |
|---|---|---|
| Rafael G. Yaptinchay | Marc Ventures Inc. | Independent |
| Jose L. Cuisia, Jr | Phinma Corporation<br>Omnipay Inc.<br>Xendit Remittance Inc. | Independent<br>Independent<br>Independent |
| Stephen T. CuUnjieng | Philippines Line of Communication (PBCOM)<br>First Philippine Holdings | Independent<br><br>Independent |
| Carlos C. Ejercito | International Container Terminal Services Inc.<br>Mount Grace Hospitals, Inc. | Independent<br><br>Director |

| Director's Name | Name of Listed Company | Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman. |
|---|---|---|
| Aileen Christel U. Ongkauko | La Filipina Uy Gongco Corporation & Subsidiaries | Executive Director |

## BOARD MEETINGS & ATTENDANCE

Regular Board meetings are held once every quarter. The meetings are scheduled before the beginning of the year. For this year, the Regular Board Meetings are scheduled as follows:

First Quarter – March 28

Second Quarter – May 5

Third Quarter – August 7

Fourth Quarter – November 8

There are also special board meetings that are held from time to time, as the need to discuss important business matters and updates from the Company arise. These special meetings are scheduled a week ahead of the scheduled dates.

### Attendance of Directors – All directors were re-elected and elected, respectively on June 30, 2023

| Board | Name | Date of Election | No. of Meetings Held during the year (Regular & Special) | No. of Meetings Attended | % |
|---|---|---|---|---|---|
| Chairman | Jose Eduardo B. Antonio | June 30, 2023 | 8 | 8 | 100% |
| Member | John Victor R. Antonio | June 30, 2023 | 8 | 8 | 100% |
| Member | Jose Marco R. Antonio | June 30, 2023 | 8 | 8 | 100% |
| Member | Jose Carlo R. Antonio | June 30, 2023 | 8 | 8 | 100% |
| Member | Ricardo P. Cuerva | June 30, 2023 | 8 | 6 | 75% |
| Member | Rafael G. Yaptinchay | June 30, 2023 | 8 | 8 | 100% |
| Member | Hilda R. Antonio | June 30, 2023 | 8 | 8 | 100% |
| Independent | Jose L. Cuisia, Jr | June 30, 2023 | 8 | 8 | 100% |
| Independent | Stephen T. CuUnjieng | June 30, 2023 | 8 | 8 | 100% |
| Independent | Carlos C. Ejercito | June 30, 2023 | 8 | 8 | 100% |
| Independent | Aileen Christel U. Ongkauko | June 30, 2023 | 8 | 8 | 100% |

## BOARD COMMITTEES

## 1. Number of Members, Functions and Responsibilities

| Committee | No. of Members | | | Committee Charter | Functions | Key Responsibilities | Power Executive Director (ED) Executive Director (ED) Executive Director (ED) |
|---|---|---|---|---|---|---|---|
| | Executive Director (ED) | Non-executive Director (NED) | Independent Director (ID) | | | | |
| Executive | 6 | 0 | 0 | Develop a transparent business and organizational management system | Oversees the implementation of policies and corporate matters | Executive | 6 |
| Audit | 2 | 1 | 2 | Develop a transparent financial management system | Check all financial reports against its compliance; monitors external audit | Audit | 2 |
| Committee on Strategy & Growth | 4 | 0 | 2 | Assist the Board in discharging its oversight duties with respect to the development and implementation of the Company's strategic plan and the risks associated with such plant. | Provide assistance to the Board of Directors in the strategic management of the Company's activities, in its work to protect Company shareholders' interests via exercising control of the Company's strategy and sustainable development. | Committee on Strategy & Growth | 4 |
| Risk Management & Corporate Governance | 4 | 1 | 2 | Safeguard the company from potential and adherent risks | Establish procedures to safeguard management from exposed risks and prevention of potential risks.<br><br>Ensure that the Company is taking appropriate measures to achieve a prudent balance between risk | Risk Management & Corporate Governance | 4 |

| Committee | No. of Members | | | Committee Charter | Functions | Key Responsibilities | Power Executive Director (ED) Executive Director (ED) Executive Director (ED) |
|---|---|---|---|---|---|---|---|
| | Executive Director (ED) | Non-executive Director (NED) | Independent Director (ID) | | | | |
| | | | | | and reward in both ongoing and new business activities in compliance as well with the Corporate Governance policies. | | |
| Related Party Transactions Committee | 2 | 0 | 2 | Ensure that every Related Party Transaction is conducted in a manner that will protect the Company and its stakeholders from conflict of interest which may arise between the Company and its Related Parties; | Ensure that every Related Party Transaction is at arms' length, the terms are fair, and they will inure to the best interest of the Company, its stakeholders, subsidiaries and affiliates | Related Party Transactions Committee | 2 |

## 2. Committee Members

### (a) Executive Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Term |
|---|---|---|---|---|---|---|
| Chairman | Jose E.B. Antonio | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (ED) | John Victor R. Antonio | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (ED) | Jose Marco R. Antonio | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (ED) | Rafael G. Yaptinchay | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (ED) | Jose Carlo R. Antonio | June 30, 2023 | 4 | 4 | 100 | 1 yr |

## (b) Audit Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Term |
|---|---|---|---|---|---|---|
| Chairman (ID) | Stephen CuUnjieng | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (ID) | Carlos C. Ejercito | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (ED) | Jose Carlo R. Antonio | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (ED) | Jose Marco R. Antonio | June 30, 2023 | 4 | 4 | 100 | 1 yr |
| Member (NED) | Rafael G. Yaptincahy | June 30, 2023 | 4 | 4 | 100 | 1 yr |

## (c) Committee on Strategy & Growth

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Term |
|---|---|---|---|---|---|---|
| Chairman (ID) | Aileen Christel U. Ongkauko | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ID) | Stephen T. CuUnjieng | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ED) | Jose E.B. Antonio | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ID) | David L. Almirol, Jr. | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ED) | Jose Marco R. Antonio | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ED) | Jose Carlo R. Antonio | June 30, 2023 | 2 | 2 | 100 | 1 yr |

## (d) Risk Management & Corporate Governance Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Term |
|---|---|---|---|---|---|---|
| Chairman (ID) | Jose L. Cuisia, Jr. | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ED) | Jose E.B. Antonio | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ED) | Jose Marco R. Antonio | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ED) | John Victor R. Antonio | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (ED) | Rafael G. Yaptinchay | June 30, 2023 | 2 | 2 | 100 | 1 yr |
| Member (NED) | Ricardo P. Cuerva | June 30, 2023 | 2 | 2 | 100 | 1 yr |

### (e) Related Party Transactions Committee

**Provide the same information on all other committees constituted by the Board of Directors:**

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Term |
|---|---|---|---|---|---|---|
| Chairman (ID) | Carlos C. Ejercito | June 30, 2023 | 1 | 1 | 100 | 1 yr |
| Member (ID) | Jose L. Cuisia, Jr. | June 30, 2023 | 1 | 1 | 100 | 1 yr |
| Member (ID) | Aileen Christel U. Ongkauko | June 30, 2023 | 1 | 1 | 100 | 1 yr |
| Member (ED) | Jose Marco R. Antonio | June 30, 2023 | 1 | 1 | 100 | 1 yr |
| Member (ED) | Jose Carlo R. Antonio | June 30, 2023 | 1 | 1 | 100 | 1 yr |
| Member (NED) | Hilda R. Antonio | June 30, 2023 | 1 | 1 | 100 | 1 yr |

## EXECUTIVE OFFICERS

The Executive officers of the Company as of December 31, 2023 are as follows:

| Name of Director | Position | Age |
|---|---|---|
| Amb. Jose E.B. Antonio* | Executive Chairman of the Board | 77 |
| John Victor R. Antonio* | Vice Chairman | 51 |
| Jose Marco R. Antonio* | Director and President & CEO | 49 |
| Jose Carlo R. Antonio* | Co-Managing Director | 40 |
| Rafael G. Yaptinchay* | Co-Managing Director | 73 |
| Atty. Danny E. Bunyi* | Corporate Secretary | 58 |
| Carlos Benedict K. Rivilla, IV* | Assistant Corporate Secretary/Vice-President for Corporate Affairs | 52 |
| Ponciano S. Carreon | Chief Financial Officer / Corporate Treasurer/ Investor Relations Officer | 49 |
| Julliene Cruz | Group Head for Corporate Communications | 40 |
| Atty. Isabelita Ching Sales | Group Head for Legal Services and Corporate Affairs, Chief Information and Chief Compliance Officer | 44 |
| Ritchelle T. Cordero | Group Head for Human Resources and Administration | 43 |

**Members of the Board and concurrent Executive Officers' information as disclosed on Pages 85-89 of this Report*

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**Mr. Carlos Benedict K. Rivilla IV**, 52 years old, Filipino, is the Assistant Corporate Secretary and Vice-President for Corporate Affairs of the Company. As part of his experience in the business sector, he served as Corporate Compliance Officer and Vice-President for Finance in a corporation engaged in mass media for four (4) years in Cebu City and also previously handled corporate affairs for the Company and served as Director and Corporate Secretary of various businesses in Makati City. He joined the Company in 2007. Mr. Rivilla is a graduate of University of San Jose Recoletos. Mr. Rivilla was appointed Assistant Corporate Secretary on August 17, 2011.

**Mr. Ponciano S. Carreon, Jr.**, 49 years old, Filipino, is the Chief Financial Officer ("CFO"), Corporate Treasurer, and Head for Investor Relations. He also currently sits as an Independent Director and Chairman of Audit and Compliance Commitee of Northpoint Development Bank. Prior to joining CPGI, he served as CFO of Landco Pacific Corporation, CFO of Arthaland Corporation, Assistant Vice President of Controllership at SM Development Corporation, Controller of Crown Asia Properties, Inc., a Vista Land subsidiary, and as member of the Board of Directors of Club Punta Fuego Inc., Fuego Land Corporation, and Fuego Development Corporation. He also brings with him solid banking experience having served as a bank controller, audit head and examiner. He is an Ateneo-BAP Certified Treasury Professional, a *cum laude* graduate of Bachelor of Science in Accountancy degree at San Beda College and a Certified Public Accountant Licensure Examination board topnotcher.

**Ms. Julienne Cruz,** 40 years old, Filipino, is the new Group Head for Corporate Communications of the Company effective November 1, 2021. Prior to joining the Company in 2007, she served as a Public Relations ("PR") Associate in Grupo Agatep (formerly Agatep Associates) and a television production member of various motoring media shows. As part of her corporate background, she served as PR Associate, Advertising Manager, Marketing Communications Manager, and Assistant Vice President for Communications of the Company until 2020. She graduated with a Bachelor's Degree in Communication Arts from Miriam College Quezon City in 2005. Ms. Cruz is taking her MBA degree through the Regis program of the Ateneo Graduate School of Business in Makati.

**Atty. Isabelita Ching-Sales**, 44 years old, Filipino, serves as the Company's Group Head for Legal Services and Corporate Affairs, Chief Information Officer, and Chief Compliance Officer. Prior to joining Century Properties, Atty. Ching-Sales was the Chief Legal Counsel and Chief Information Officer of Asiatrust Development Bank, also a publicly-listed company. Having undergone extensive training and experience on loans, credit, and branch banking operations, she was also appointed Head for Credit Support Department, and still is the Corporate Secretary of Asiatrust Development Bank, now NextGenesis Corporation. Atty Ching-Sales also worked as Head for Operations of China Banking Corporation's Acquired Assets Division. She graduated from the University of Sto. Tomas with a Bachelor's Degree in Legal Management and obtained her degree in Bachelor of Laws and Juris Doctor degree at San Beda College of Law and San Sebastian College Recoletos Manila, Institute of Law.

**Mr. Ritchelle T. Cordero**, 43 years old, Filipino, is the Group Head for Human Resources and Administration of the Company. He graduated with academic distinction from San Beda College, Manila in 2002 with the degree of Bachelor of Arts in Philosophy and Human Resources Development. He completed the Executive MBA degree program at the Asian Institute of Management in 2017. Prior joining the Company, he was the Human Resources ("HR") Manager of Ayala Property Management Corporation, a subsidiary of Ayala Land Inc., HR Officer of DMCI Project Developers, Inc., and HR & Quality Management Officer of Asiatic Development Corporation.

All the directors and members of the senior management of the Company possess a high degree of integrity and character and are fully capable and able to perform their duties as directors and members of senior management, respectively.

All the directors and members of the senior management of the Company possess a high degree of integrity and character and are fully capable and able to perform their duties as directors and members of senior management, respectively.

**Chairman and CEO**

Mr. Jose E.B. Antonio is the current Executive Chairman of the Board while Mr. Jose Marco R. Antonio is the President and Chief Executive Officer of the Company who has the moral integrity and excellent business acumen to effectively manage the Company in its corporate goals and objectives. The Board having a mix of non-executive and independent directors are separate from Management and gives the assurance of a balanced view and perspective with regards to matters pertaining to board decisions.

Role of the Chairman and the CEO:

| | Chairman | Chief Executive Officer |
|---|---|---|
| Role | Foster long term growth | Manages company operations |
| Accountabilities | Policies formulation and expressed fiduciary duties towards shareholders | Initiate and develop corporate objectives and implement policies |
| Deliverables | Comply with principles of good governance | Meet revenue and growth targets |

**Family Relationships**

Except for Messrs. Jose E.B. Antonio, John Victor R. Antonio, Jose Marco R. Antonio, Jose Roberto R. Antonio and Jose Carlo R. Antonio, none of the above indicated Directors and Senior Officers are bound by any familial relationships with one another up to the fourth civil degree, either by consanguinity or affinity.

Messrs. John Victor R. Antonio, Jose Marco R. Antonio, Jose Roberto R. Antonio and Jose Carlo R. Antonio are brothers while Mr. Jose E.B. Antonio is their father.

A complete description and the balances of the related party transactions are outlined in notes of the accompanying consolidated financial statements.

**Family, Commercial and Contractual Relations**

| Names of Related Significant Shareholders | Type of Relationship | Brief Description of the Relationship |
|---|---|---|
| Jose E.B. Antonio<br>John Victor R. Antonio<br>Jose Marco R. Antonio<br>Jose Carlo R. Antonio<br>Hilda R. Antonio | Family | Jose E.B. Antonio is the father and Mrs. Hilda R. Antonio is the mother of siblings Messrs. John Victor R. Antonio, Jose Marco R. Antonio, and Jose Carlo R. Antonio. Through CPI, of which |

| Names of Related Significant Shareholders | Type of Relationship | Brief Description of the Relationship |
|---|---|---|
| | | all are shareholders, they own the majority shares of CPGI. |
| Ricardo P. Cuerva | Shareholder of Parent Company of CPGI and direct beneficial owner of shares of CPGI. Business partner of the subsidiaries for construction under Century Properties Management and Construction Corporation | Mr. Cuerva is one of the business partners of the CPGI subsidiaries for construction under Century Properties Management and Construction Corporation |

**Orientation and Education Program of the Board and Executive Officers**

**(a) Company Board and Executive Officers directors:**

Under the Company's Corporate Governance manual and best practice, all new directors and senior officers are required to take the orientation on good governance and risk management. The Board of Directors shall take note on the need to implement a policy program for new directors. The current board members, save for the three new Independent Directors, are more than 5 years in office since CPGI has changed it Management from East Asia Power Resources last 2011.

**(b) In-house training and external courses attended by Directors and Executive Officers for the past years:**

- Corporate Governance Orientation Course for Directors and Officers – August 2011, conducted by Sycip Gorres and Velayo
- ISO Training Seminar for Systems and Data – May 2012, Neville Clark Inc.
- Strategic Planning Seminar – July 2012, In-house, Corporate Planning Group
- Risk Management Seminar – October 2012, Ateneo Graduate School of Business
- Corporate Governance Seminar for Directors and Key Officers – November 2014, Philippine Stock Exchange
- Annual Corporate Governance Training Program – November 2015, Institute of Corporate Directors
- SEC Corporate Governance Forum – August 2016, SEC
- Annual Corporate Governance Training Program – September 2017, Institute of Corporate Directors
- Annual Corporate Governance Training Program – December 19, 2018, Institute of Corporate Directors
- Annual Corporate Governance Training Program – September 2019, Institute of Corporate Directors
- Corporate Sustainability Reporting – March 15, 2021, University of Asia and the Pacific – Center for Social Responsibility
- Sustainability Summit – April 30, 2021, University of Asia and the Pacific – Center for Social Responsibility
- Anti-Money Laundering/Counter-Terrorist Financing Fundamentals – July 12, 2022 –

Anti-Money Laundering Council
- Anti-Money Laundering/Counter-Terrorist Financing – November 24, 2022 - Anti-Money Laundering Council
- 2022 Public Corporate Governance – December 15, 2022 - Sycip Gorres Velayo and Company
- 2023 Corporate Governance on Cyber Security, Blockchain and Data Analytics and Artificial Intelligence – December 13, 2023 - Sycip Gorres Velayo and Company

**Involvement in Certain Legal Proceedings**

The Company is not aware of any of the following events having occurred during the past five years up to the date of this Annual Report that are material to an evaluation of the ability or integrity of any director, nominee for election as Director, executive officer, underwriter or controlling person of the Company:

(a) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

(b) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

(c) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

(d) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

## ITEM 10. EXECUTIVE COMPENSATION

Information as to the aggregate compensation paid or accrued during the last two fiscal years and to be paid in the ensuing fiscal year to the executive officers and senior management follows:

| Name and Principal Position | Year | Salary | Bonus | Other Annual Compensation |
|---|---|---|---|---|
| Aggregate executive compensation for CEO and top 4 Most Highly Compensated Officers/ Directors* | Projected 2024 | 71,798,172.35 | 10,192,509.37 | 0 |
| | Actual 2023 | 67,734,124.85 | 9,265,917.61 | 0 |
| | Actual 2022 | 67,257,904.52 | 0.00 | 0 |
| | Actual 2021 | 67,175,110.12 | 0.00 | 0 |
| Aggregate executive compensation all other officers unnamed | Projected 2024 | 27,259,060.35 | 5,961,985.00 | 0 |
| | Actual 2023 | 25,716,094.67 | 5,419,986.37 | 0 |
| | Actual 2022 | 23,929,908.77 | 0.00 | 0 |
| | Actual 2021 | 26,981,041.72 | 333,861.10 | 0 |

**These include Jose Marco Antonio (President and Chief Executive Officer), Jose Eduardo Antonio, Jose Carlo Antonio, John Victor Antonio, and Rafael Yaptinchay.*

- **Five (5) members of management who are <u>not</u> at the same time executive directors and indicate the total remuneration received during the financial year:**

| Name of Officer/Position | Salary | Bonus | Total |
|---|---|---|---|
| Ponciano S. Carreon, Jr. | 25,716,094.67 | 5,419,986.37 | 31,136,081.04 |
| Ritchelle T. Cordero | | | |
| Carlos Benedict K. Rivilla | | | |
| Julienne M. Cruz | | | |
| Isabelita C. Sales | | | |

The Company does not have any standard arrangement or other arrangements with its executive directors and, as previously mentioned, the executive directors of the Company do not receive any compensation for acting in such capacity, except for the independent directors who receives a monthly fee of One Hundred Thousand Pesos (₱100,000) for board meetings, special meetings and board committee meetings. With regard to the employment contracts between the Company and the executive officers, the Company employs the same standard employment contract applicable to all its officers and employees. The Company has not issued and/or granted stock warrants or options in favor of its officers and employees.

- **Company's policy on remuneration and the structure of its compensation package**

| | Remuneration Policy | Structure of Compensation Packages | How Compensation is Calculated |
|---|---|---|---|
| Executive Directors | Fixed annual payment | Basic Pay, performance bonus depending on profitability | Based on Industry standard, as determined by the Board of Directors (without the presence of the concerned Officer/Executive Director) and recommended by the Nomination and Compensation Committee |
| Non-Executive Directors | Per diem for Independent Directors | Per diem of Php100,000.00 for Independent Directors for each board and committee meeting | Based on Industry standard, as determined by the Executive Directors and recommended by the Nomination and Compensation Committee |

## ITEM 11. SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

### 11.1 Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2023, the Company is aware of only 2 stockholders owning in excess of 5% of the Company's common stock other than those set forth in the table below.

| Title of Class | Name and Address of Record Owner and relationship with Issuer | Name of Beneficial Owner and relationship with Record Owner | Citizenship | No. of Shares Held | Percent |
|---|---|---|---|---|---|
| Common | Century Properties Inc. (21st Floor, Pacific Star Building, Sen Gil Puyat corner Makati Avenue Makati City)<br><br>(relationship with issuer –Majority shareholder controlled by Antonio family) | -CPI-<br><br>Carlos Benedict K. Rivilla, IV<br>Duly authorized representative | Filipino | 6,311,104,949 | 53.942% |
| Common | PCD Nominee Corporation (Filipino) (G/F Phil Stock Exchange Bldg., Makati)<br><br>(relationship with issuer – None) | Majority | Filipino | 4,971,231,001 | 42.490% |

As advised to the Company, BDO Securities Corporation and F. Yap Securities, Inc. own more than 5% of the Company's Common Shares under the PCD Nominee Corporation

## 11. 2 Security Ownership of Management

The amount and nature of the ownership of the Company's shares by the Company's directors and officers, as of December 31, 2023, are set forth in the table below.

| Title of Class | Name of Beneficial Owner | Amount and Nature of Beneficial Ownership | Citizenship | % of Class |
|---|---|---|---|---|
| Common | Jose E.B. Antonio | 79,530,001 – Direct | Filipino | 0.69 |
| Common | John Victor R. Antonio | 1 Direct | Filipino | 0.00 |
| Common | Jose Marco R. Antonio | 1 Direct | Filipino | 0.00 |
| Common | Jose Carlo R. Antonio | 1 Direct | Filipino | 0.00 |
| Common | Hilda R. Antonio | 1 Direct | Filipino | 0.00 |
| Common | Rafael G. Yaptinchay | 1 Direct | Filipino | 0.00 |
| Common | Ricardo P. Cuerva | 214,995,169 – Indirect | Filipino | 1.85 |
| Common | Jose L. Cuisia, Jr | 1 Direct | Filipino | 0.00 |
| Common | Stephen T. CuUnjieng | 1 Direct | Filipino | 0.00 |
| Common | Carlos C. Ejercito | 1 Direct | Filipino | 0.00 |
| Common | Aileen Christel U. Ongkauko | 1 Direct | Filipino | 0.00 |
| - | Atty. Danny E. Bunyi | - | Filipino | - |
| - | Carlos Benedict K. Rivilla, IV | - | Filipino | - |
| - | Isabelita Ching Sales | - | Filipino | - |
| - | Ponciano S. Carreon | - | Filipino | _ |
| - | Ritchelle T. Cordero | - | Filipino | - |
| Common | Aggregate Amount of Ownership of all Directors and Officers as a Group | 294,525,180 | | 2.52 |

## 11.3 Voting Trust Holders of 5% or More

As of December 31, 2023, the Company does not know of any person who holds more than 5% of its common shares of stock under a voting trust or similar agreement.

## 11.4 Changes in Control

As of the date of this Annual Report, there are no arrangements which may result in a change in control of the Company.

## ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Other than the above and those disclosed in this annual report and in the consolidated financial statements, there are no other transaction entered into by the Company on one hand, with any of its directors, officers or stockholders on the other.

A complete description and the balances of the related party transactions are outlined in notes of the accompanying consolidated financial statements.

# PART IV. CORPORATE GOVERNANCE

### Evaluation System to Measure or Determine Level of Compliance with the Manual of Corporate Governance

The Company has undertaken constant self-rating assessment (SRA) and performance evaluation exercises in relations to its corporate governance policies both for the purpose of monitoring compliance and instilling deeper awareness and observance by the Company's Board of Directors and top-level management.

### Measures Undertaken to Comply with Leading Practices

The Compliance Officer has been tasked to keep abreast of such developments and to constantly disseminate relevant information in this regard.

### Deviations from the Manual on Corporate Governance

No deviation has been noted to date.

### Plans to Improve Company's Corporate Governance

Possible improvement in the Company's corporate governance policies and practices are being constantly studied and reviewed. The Company undertakes to comply with all SEC and PSE mandated corporate governance revisions and memorandums.

For 2023, the Company's submitted to the SEC the Integrated Annual Corporate Governance Report (I-ACGR). CPGI has also complied with the memorandum circular of the PSE on the submission of the corporate governance Guidelines for listed corporations. Changes were implemented on the company's website to improve its corporate governance section and the monitoring of updates and disclosures pursuant to respective SEC Memorandums.

# PART V. EXHIBITS AND SCHEDULES

## ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

### Exhibits

| EXHIBIT |
| --- |
| Statement of Management's Responsibility |
| Consolidated Financial Statements |
| Supplementary Schedules |

## REPORTS ON SEC FORM 17-C FOR PERIOD FY 2023

| | |
|---|---|
| January 16, 2023 | Results of the Special Board Meeting held on January 16, 2023, the following resolutions were passed:<br><br>1. Resolution on the approval for CPGI's Second Tranche Offer of Fixed Rate Retail Bonds of in the principal amount of Two Billion Pesos (₱2,000,000,000.00), with an oversubscription option of up to One Billion Pesos (₱1,000,000,000.00) consisting of Series A 3-Year Bonds due 2026, Series B 5-Year Bonds due 2028 and Series C 7-Year Bonds due 2030, under its Six Billion Pesos (₱6,000,000,000.00) Debt Securities Program Shelf Registration.<br><br>2. Resolution on the authority of the Company to apply for (i) the registration and licensing of the Bonds with the Philippines Securities and Exchange Commission and (ii) the listing of the Bonds with the Philippine Dealing and Exchange Corporation.<br><br>3. Resolution on the approval of the redemption of the Company's ₱3,000,000,000.00 Preferred Shares (CPGP Preferred Shares) on redemption date, July 10, 2023, at a redemption price of ₱100.00 per share, together with any unpaid cash dividends. The Company shall issue a separate Notice of Redemption by publication and by mail accordingly. Upon redemption, the CPGP Preferred Shares shall not be considered retired and may be re-issued by the Company.<br><br>4. Resolution on the ratification of the disclosures contained in the Registration Statement and Offer Supplement to be filed by the Corporation with the Securities and Exchange Commission in connection with the registration of the unsecured bonds to be offered by the Corporation to the public; and<br><br>5. Resolution further authorizing the Company to implement all necessary corporate and other actions to proceed with the offering and issuance of the Bonds. |
| February 8, 2023 | CPG "AA+" Issuer Rating Upgrade from the Credit Rating and Investors Services Philippines, Inc. (CRISP)<br><br>Company's proposed Second Tranche Offer of Fixed Rate Retail Bonds of in the principal amount of Two Billion Pesos (₱2,000,000,000.00), with an oversubscription option of up to One Billion Pesos (₱1,000,000,000.00), under its Six Billion Pesos (₱6,000,000,000.00) Debt Securities Program Shelf Registration received a Credit rating of "AA+" Issuer Rating Upgrade from the Credit Rating and Investors Services Philippines, Inc. (CRISP).<br><br>The Issuer Rating Upgrade was based on the following factors:<br><br>• Diversified Market Portfolio and a Strong, Growing Presence in a Traditionally Competitive Market – CRISP considers as strategically beneficial to CPG's market position its move to diversify its market portfolio. CPG has solidified its strong presence in the vertical housing market with 30 vertical housing developments with a total ground floor area of over 1.24 million square meters and a total of 17,481 residential units completed.<br><br>• CPG's entry into the horizontal affordable housing development market in 2017 provided opportunities for the company to capture a share in a traditionally reliable property market segment – Within a relatively brief period, CPG's joint venture brand with the Mitsubishi Corporation, PHirst Park Homes, has launched 16 home communities on 293 hectares of land with over 19,800 units valued at P34.4 billion in eight provinces in the country's main island of Luzon. As of yearend 2022, PHirst Park Homes has sold 13,983 units valued at P24.6 billion and completed 6,002. |

| | |
|---|---|
| | • CPG's portfolio also includes 5 leasing assets with aggregate Gross Leasable Area of 146,670 square meters – These include the Century City Mall, Centuria Medical Makati, Asian Century Center, Century Diamond Tower and the recently opened Novotel Suites. Manila.<br><br>• CPG has established its name in the property management sector with over 100 buildings covering 3.45 million square meters that include notable properties like office buildings, condominiums, major banks, medical facilities, an embassy, and a school.<br><br>In 2022, CPG's diversified portfolio consists of a more diversified revenue mix of vertical (43%), affordable housing (42%), commercial leasing (11%) and property management (4%). Meanwhile, affordable housing presents a higher Net Income After Tax share at 73%, followed by commercial leasing at twenty percent.<br><br>• Resilient, Stronger Financial Position – CPG experienced revenue downturns at the height of the pandemic but began to show recoveries. In January to September 2022, CPG's revenue increased by 35% to P8.75 billion from P6.48 billion in the same period of 2021. During the same period, CPG's EBITDA stood at P1.92 billion in 2022, 49% higher compared to P1.29 billion in 2021. CPG's net income during the same period also increased to P1.15 billion in 2022 from P1.08 billion in 2021.<br><br>• Improved Liquidity – CPG's reviewed 9-month interim financial statements reflect improved liquidity with a current ratio of 3.0x in 2022 versus 2.2x in 2021 and a quick ratio of 1.6x in 2022 compared to 1.3x during the same period in 2021.<br><br>• Managed debt – CPG's 9-month 2022 interim financial statements show lower interest-bearing debt of P16.9 billion compared to P18.3 billion as reflected in its 2021 audited financial statements. This resulted in the improvement of CPG's debt ratios with a debt equity ratio of 0.7x in 9-month 2022 compared to 0.8x in 2021 and debt to EBITDA ratio of 6.6X in 9-month 2022 compared 9.5x in 2021. Fixed interest rate v. floating interest rate. CPG increased the share of fixed interest rate loans to 63% in September 2022 compared to just 52% in December 2020.<br><br>• Responsive Crisis Management by CPG – Crisis management operations at CPG has resulted in minimal casualties with a 99.8% recovery rate as it pursued COVID-19 vaccinations with a 99.9% primary vaccination rate. At the height of the pandemic, CPG implemented a hybrid work set up and administered antigen testing to those who worked in the office. |
| February 23, 2023 | Official Press release entitled:<br><br>CENTURY PROPERTIES GROUP BOLSTERS FIRST HOME BUYER MARKET COVERAGE UNDER NEW SUBSIDIARY, CENTURY PHIRST CORPORATION |

<table>
<tr><td>March 3, 2023</td><td>Certificate of Permit to Offer Securities for Sale from the Securities and Exchange Commission relative to CPGI's Second Tranche Offer of Fixed Rate Retail Bonds consisting of up to Two Billion Pesos (P 2,000,000,000.00) with an Over-subscription Option of up to One Billion Pesos (P 1,000,000,000.00).<br><br>Received on March 3, 2023, the Certificate of Permit to Offer Securities for Sale from the Securities and Exchange Commission relative to CPGI's Second Tranche Offer of Fixed Rate Retail Bonds consisting of up to Two Billion Pesos (P 2,000,000,000.00) with an Over subscription Option of up to One Billion Pesos (P 1,000,000,000.00), worth of Fixed Rate Bonds comprising of 6.5760% per annum three (3) year fixed rate bonds ("Series A Bonds"), 7.4054% per annum five (5) year fixed rate bonds ("Series B Bonds") and 7.6800% per annum seven (7) year fixed rate bonds ("Series C Bonds"), under its Six Billion Pesos (₱6,000,000,000.00) Debt Securities Program Shelf Registration</td></tr>
<tr><td>March 8, 2023</td><td>Results of the Special Board Meeting held on March 8, 2023, the declaration of cash dividends for the PREFERRED SHARES and the payment date thereof were unanimously approved as follows:<br><br><table><tr><td>SHARES</td><td>RECORD DATE</td><td>PAYMENT DATE</td><td>DIVIDEND RATE</td></tr><tr><td>CPGP</td><td>April 3, 2023</td><td>April 11, 2023</td><td>6.7177%</td></tr><tr><td>CPGP</td><td>July 5, 2023</td><td>July 10, 2023</td><td>6.7177%</td></tr></table></td></tr>
<tr><td>March 17, 2023</td><td>CPG Second Tranche Offer of Fixed Rate Retail Bonds consisting of up to Two Billion Pesos (P2,000,000,000.00) with an Over-subscription Option of up to One Billion Pesos (P1,000,000,000.00) have been listed at the Philippine Dealing & Exchange Corp. ("PDEx) today, March 17, 2023.<br><br>Company's Second Tranche Offer of Fixed Rate Retail Bonds consisting of up to Two Billion Pesos (P2,000,000,000.00) with an Over-subscription Option of up to One Billion Pesos (P1,000,000,000.00), worth of Fixed Rate Bonds comprising of 6.5760% per annum three (3) year fixed rate bonds ("Series A Bonds"), 7.4054% per annum five (5) year fixed rate bonds ("Series B Bonds") and 7.6800% per annum seven (7) year fixed rate bonds ("Series C Bonds"), under its Six Billion Pesos (₱6,000,000,000.00) Debt Securities Program Shelf Registration have been listed at the Philippine Dealing & Exchange Corp. ("PDEx) on, March 17, 2023.</td></tr>
<tr><td>March 28, 2023</td><td>Results of the Board Meeting held on March 28, 2023:<br><br>The following resolutions were passed:<br><br>I. APPROVAL OF THE COMPANY'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDING DECEMBER 31, 2022.<br><br>The Chairman informed the Board that there is a need to approve the Annual Financial Report of the Company for the Year ended December 31, 2022. Upon motion made and duly seconded, the following resolution was unanimously approved and adopted by the Board:<br><br>"RESOLVED, That the Board of Directors of Century Properties Group Inc. (the "Corporation") be authorized, as it is hereby authorized to approve the Annual Financial Report of the Company for the year ended 31 December 2022 and the release of the same."<br><br>II. PRESENTATION OF KEY BUSINESS UPDATES<br>The Management presented the Company's Key Business Updates which the Board duly noted and approved.</td></tr>
<tr><td>May 5, 2023</td><td>Results of the Board Meeting held on May 5, 2023</td></tr>
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| | The following resolutions were passed:<br><br>I. APPROVAL OF THE COMPANY'S FINANCIAL REPORT FOR THE QUARTER ENDING MARCH 31, 2023<br><br>The Chairman informed the Board that there is a need to approve the Financial Report of the Company for the Quarter ending March 31, 2023. Upon motion made and duly seconded, the following resolution was unanimously approved and adopted by the Board:<br><br>"RESOLVED, That the Board of Directors of Century Properties Group Inc. (the "Corporation") be authorized, as it is hereby authorized to approve the Financial Report of the Company for the Quarter ending March 31, 2023 and the release of the same."<br><br>II. PRESENTATION OF KEY BUSINESS UPDATES<br><br>The Management presented the Company's Key Business Updates which the Board duly noted and approved. |
| May 11, 2023 | Results of the Special Board Meeting held on May 11, 2023<br><br>The following resolutions were passed:<br><br>I. ANNUAL STOCKHOLDERS' MEETING<br>The Chairman discussed the need to set and approve the details of the Annual Stockholders' Meeting of the Company on JUNE 30, 2023. The Board unanimously approved the following resolutions:<br><br>"RESOLVED, to set and approve the date of the Annual Stockholders' Meeting on JUNE 30, 2023, Friday at 10:00 a.m., to be conducted virtually and attendance at the meeting will be via remote communication only.<br><br>RESOLVED, FURTHER, that the record date is set on MAY 26, 2023, thus, only common stock shareholders as of MAY 26, 2023 shall be entitled to notice and to vote at the said meeting;<br><br>"RESOLVED, FURTHER, that the agenda for the said meeting shall be as follows:<br>1. Call to order<br>2. Certification of notice and the existence of a quorum<br>3. Approval of the minutes of the Annual Stockholders'<br><br>Meeting held on JUNE 27, 2022<br>4. Annual Report of the President<br>5. Ratification of all Acts and Proceedings of the Board of Directors and Corporate Officers<br>6. Approval of the 2022 Audited Consolidated Financial Statements of the Corporation<br>7. Election of Members of the Board of Directors and three Independent Directors<br>8. Appointment of External Auditor for 2023<br>9. Other Matters<br>i. Amendment of Article 1 of the Amended By-Laws of the Corporation to change the principal place of business of the Company – from: 21/F Pacific Star Bldg., Sen, Gil Puyat Avenue corner Makati Avenue, Makati City to: 35/F Century Diamond Tower, Century City, Kalayaan Avenue, Makati City10. |

10. Adjournment

In light of the increase in COVID-19 cases and in support of the measures to prevent the further spread thereof, there will be no physical meeting. Stockholders may only attend and participate in the meeting by remote communication. Stockholders may vote electronically in absentia, subject to validation procedures.

Stockholders who intend to attend by remote communication are required to REGISTER via https://www.century-properties.com/asm2022/ on or before June 23, 2023.

The instructions, procedures and requirements for electronic voting in absentia and participation by remote communication shall be sent to the email address provided in the stockholder's registration from.

The link through which the Meeting may be accessed shall be sent to the email address of the registered stockholder after validation. The procedures for participating in the meeting through remote communication and for casting of votes in absentia will be set forth and discussed in details in the Company's Definitive Information Statement (SEC Form 20-IS).

The Definitive Information Statement, Management Report, Audited Financial Statements, Quarterly Report/s and other documents relative to the Annual Stockholders' Meeting, including the Procedures and Guidelines on the participation by remote communication and voting in absentia may be accessed, beginning on MAY 29, 2023 through any of the following:

1. Go to the Corporation website via this link: https://www.centuryproperties.com/
2. Go to the PSE EDGE portal via https://edge.pse.com.ph/ or
3. Request for a copy by sending an email to icsales@centuryproperties.com or danny.bunyi@divinalaw.com

RESOLVED, FINALLY, that the Corporate Secretary or the Assistant Corporate Secretary or other responsible officers of the Corporation is hereby authorized to issue this notice of meeting to stockholders and to execute, sign, and file any and all documents which may be required by the Securities and Exchange Commission, Philippine Stock Exchange, and other government agencies and to do all actions and things as may be necessary to comply with the provisions of the Corporation Code of the Philippines, Securities Regulation Code and other regulations relating to the subject matter of this resolution."

II. RISK MANAGEMENT AND CORPORATE GOVERNANCE COMMITTEE ENDORSEMENT FOR THE SELECTION AND NOMINEES FOR INDEPENDENT DIRECTORS AND REGULAR DIRECTORS

The Chairman of the Risk Management and Corporate Governance Committee discussed the selection and qualification of the Independent Directors and Regular Directors based on the SRC Rules and Corporate Governance Code. After discussion and upon motion made and duly seconded by majority of the committee body and board members, the following resolutions were both approved by majority of the Committee members and the Board of Directors:

"RESOLVED, That the Board of Directors of Century Properties Group Inc. (the Corporation) upon endorsement of majority of the Risk Management and Corporate Governance Committee hereby approves the selection and nomination

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| | of the following Independent Directors and Regular Directors for the year 2022-2023:<br><br>Independent Directors:<br>CARLOS C. EJERCITO – nominated by CPI<br>STEPHEN T. CuUNJIENG – nominated by CPI<br>JOSE L. CUISIA Jr. – nominated by CPI<br>AILEEN CHRISTEL U. ONGKAUKO – nominated by CPI<br><br>Regular Directors:<br>Jose E. B. Antonio<br>John Victor R. Antonio<br>Jose Marco R. Antonio<br>Jose Carlo R. Antonio<br>Ricardo P. Cuerva – Non-Executive<br>Rafael G. Yaptinchay<br>Hilda R. Antonio – Non-Executive<br><br>"RESOLVED, FINALLY, that the Corporate Secretary or the Assistant Corporate Secretary or other responsible officers of the Corporation is hereby authorized to issue the notice of meeting to stockholders and to execute, sign, and file any and all documents which may be required by the Securities and Exchange Commission, Philippine Stock Exchange, and other government agencies and to do all actions and things as may be necessary to comply with the provisions of the Corporation Code of the Philippines, Securities Regulation Code and other regulations relating to the subject matter of this resolution."<br><br>III. AMENDMENT OF THE BY-LAWS OF THE CORPORATION<br>The Chairman informed the Board that there is a need to amend ARTICLE 1 of the Company's By-Laws to change the principal place of business of the Company.<br><br>Upon motion made and duly seconded, the following resolution was unanimously approved and adopted by the Board:<br><br>"RESOLVED that the Board of Directors of Century Properties Group Inc. hereby approves the amendments of Article 1 under the Amended By-Laws of Century Properties Group Inc. to read as follows:<br>ARTICLE I Office<br>The principal office of the Corporation shall be located at the 35/F Century Diamond Tower, Century City, Kalayaan Avenue, Makati City. The Corporation may have offices at such other places of business in the Philippines or in foreign countries as the Board may, from time to time, designate. (As amended by the Board of Directors on its special meeting on May 11, 2023 and subject to the approval of the Majority Stockholders of CPGI on June 30, 2023).<br><br>"RESOLVED FURTHER, that the proper officers of the Corporation are hereby authorized and directed to execute and file the proper certificates of the proceedings of this meeting, to execute, sign, and file any and all documents which may be required by the Securities and Exchange Commission, Philippine Stock Exchange, and other government agencies and to do all actions and things as may be necessary to comply with the provisions of the Corporation Code of the Philippines, Securities Regulation Code and other regulations relating to the subject matter of this resolution."<br><br>"RESOLVED FINALLY", that a copy of this resolution be furnished the entity concerned". |

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| | IV. ENDORSEMENT OF EXTERNAL AUDITOR FOR 2023<br>The Chairman of the Audit Committee discussed the selection of External Auditors for the year 2023 and recommended to the Board the firm of Sycip, Gorres, Velayo and Co. as external auditor for the year 2023. After discussion and upon motion made and duly seconded by majority of the committee body and board members, the following resolutions were both approved by majority of the Committee members and the Board of Directors:<br><br>"RESOLVED, That the Board of Directors of Century Properties Group Inc. (the "Corporation") be authorized, as it is hereby authorized to endorse for approval of the Stockholders the firm of Sycip, Gorres, Velayo and Co. as external auditor for the year 2023." |
| May 12, 2023 | CPGI would like to inform the Honorable Exchange that the Company, during its Special Board Meeting held today, May 12, 2023, the Board of Directors of the Company approved the redemption of the Cumulative, Non-Voting, Non-Convertible, Non-Participating, Redeemable Peso-denominated Preferred Shares ("Preferred Shares" or "CPGP") issued by the Company and listed on the Philippine Stock Exchange ("PSE") on January 10, 2020.<br><br>In accordance with the terms and conditions of the issuance of the Preferred Shares, as provided in the Prospectus dated December 12, 2019 (the "Prospectus"):<br><br>The Company may redeem the Offer Shares in whole (and not in part) on the sixth (6th) month of the third (3rd) anniversary of the Issue Date or on any Dividend Payment Date thereafter (each an "Optional Redemption Date"), after giving each of the Registrar and Paying Agent prior written notice of not less than 30 days nor more than 60 days from the intended date of redemption, which notice shall be irrevocable and binding upon the Company to effect such optional redemption<br><br>The redemption price for the Preferred Shares shall be at Php100.00 per share, pursuant to the terms set out in the Prospectus, and shall be paid in check on July 10, 2023 to the relevant shareholders of record as of July 5, 2023. The redeemed shares will be recorded as treasury stock of the Company and shall be retired. To summarize, the following are the key dates in respect of the redemption of the Preferred Shares:<br><br>Ex-Date June 30, 2023<br>Record Date July 5, 2023<br>Payment Date July 10, 2023<br><br>Release of check payments starting July 10, 2023<br>The Company shall issue a Notice of Redemption (through Stock Transfer Services, Inc. and the PCD Nominee Corporation) for guidance of the holders of the Preferred Shares, with respect to the procedure and documentary requirements for the redemption. |
| May 15, 2023 | Official Press release entitled:<br>CENTURY PROPERTIES' REVENUES RISE BY 28% |
| May 31, 2023 | CPGI would like to inform the Honorable Exchange that at the Special Board Meeting held today, May 31, 2023, the Board of Directors of the Company approved the acquisition of the 40% shareholdings or One Billion Sixty Million (1,060,000,000) common shares with a par value of One Peso (PhP1.00) per share and Two Hundred Sixty Five Thousand (265,000) Preferred B shares with a par value of One Thousand Pesos (PhP1,000.00) per share of MITSUBISHI CORPORATION in PHirst Park Homes Inc. ("PPHI"). The said acquisition is subject to agreed conditions precedent and credit and regulatory approvals, including the Philippine Competition Commission. |

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<tr><td></td><td>PPHI was incorporated on August 31, 2018, and is the first-home division and brand of CPGI. Its projects are located within the fringes of Metro Manila and its target market are first-time homebuyers. Its current projects are located at Lipa and Batulao in Batangas, San Pablo and Calamba in Laguna, Naic, General Trias and Tanza in Cavite, Baliwag and Pandi in Bulacan, Tayabas in Quezon, Magalang in Pampanga, Balanga in Bataan and Gapan Nueva Ecija, which involve a multi-phase horizontal residential property and offer both Townhouse units & Single Attached units. PPHI is a joint venture project between Century Properties Group Inc. and Mitsubishi Corporation with a 60-40% shareholding, respectively. After receipt of the favorable Decision from the Philippine Competition Commission, both Parties shall work towards the execution of the Deed of Absolute Sale of Shares and closing the transaction.<br><br>The Company fully undertakes that it shall duly inform and furnish the Honorable Exchange of all other material information, terms and conditions of the said acquisition, including material documents relative to the above transaction as soon as the Decision from the Philippine Competition Commission is secured.</td></tr>
<tr><td>June 29, 2023</td><td>Results of the Special Board Meeting held on June 29, 2023 the declaration of cash dividends in the agrregate amount of PESOS: ONE HUNDRED FOURTY MILLION, FOUR HUNDRED SEVENTYFIVE THOUSAND AND NINE HUNDRED EIGHT PESOS (PHP140,475,908) for the COMMON SHARES and the payment dates thereof, for the year 2022 were unanimously approved as follows:<br><br>
<table>
<tr><td>SHARES</td><td>RECORD DATE</td><td>PAYMENT DATE</td><td>DIVIDEND RATE</td></tr>
<tr><td>CPGP</td><td>July 28, 2023</td><td>August 11, 2023</td><td>PHP 0.006055</td></tr>
<tr><td>CPGP</td><td>September 29, 2023</td><td>October 10, 2023</td><td>PHP 0.006055</td></tr>
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</td></tr>
<tr><td>June 30, 2023</td><td>Results of the Annual Stockholder's Meeting held last June 30, 2023<br><br>The following resolutions were unanimously approved:<br><br>PRESENT:
<table>
<tr><td></td><td>Number of Shares</td><td>Percentage</td></tr>
<tr><td>Total Shares Present<br>(in person or by Proxy)</td><td>9,093,588,156</td><td>78.40%</td></tr>
<tr><td>Total Outstanding Shares<br>(Treasury shares)</td><td>11,599,600,690<br>(100,123,000)</td><td></td></tr>
</table>
As of Record Date: May 26, 2023<br><br>I. CALL TO ORDER<br>The Corporation’s Chairman, Mr. Jose E.B. Antonio, called the meeting to order. The Corporate Secretary Atty. Danny E. Bunyi recorded the minutes of the proceedings.<br><br>II. CERTIFICATION OF NOTICE AND QUORUM<br>The Corporate Secretary certified that notices of this annual stockholders’ meeting, together with the agenda thereof and the Definitive Information Statement, were duly sent to all the stockholders of the Corporation of record date as of May 26, 2023, and that a quorum existed for the transaction of such business as may properly come before the meeting, there being present (in person or by proxy) the stockholders representing 9,093,588,156 shares of the Corporation, constituting approximately 78.40% of the Corporation’s total outstanding capital stock.<br><br>III. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS HELD ON JUNE 27, 2022</td></tr>
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Upon motion duly made and seconded, the reading of the minutes of the special meeting of the stockholders of the Corporation held on JUNE 27, 2022 was dispensed with and the said minutes were approved as presented.

IV. REPORT OF THE PRESIDENT TO THE STOCKHOLDERS, MANAGEMENT REPORT AND PRESENTATION OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2022

The Chairman presented his report to the stockholders of the Corporation for the year 2022, the results of operations, management report inclusive of the presentation of the 2022 Audited Financial Statements.

After discussions between the stockholders present and the panel of directors and officers of the Corporation, the board duly noted clarifications and questions raised by each stockholder. Then upon motion duly made and seconded, the report of the Chairman was noted and the Audited Financial Statements of the Corporation for fiscal year 2022 was approved.

V. CONFIRMATION AND RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS AND OFFICERS OF THE CORPORATION

The Chairman notified the stockholders of the need to ratify specific acts and proceedings of the Board of Directors and its Corporate Officers relative to business operations of the Corporation. Upon motion duly made and seconded, each and every legal act, proceeding, contract or deed performed, entered into or executed by the Corporation's Board of Directors and Officers since JUNE 27, 2022, as appearing in the minutes of the meetings of the Board of Directors and other records of the Corporation have been approved, confirmed and ratified as if such acts were entered into or executed with the specific and special authorization of the stockholders in a meeting duly convoked and held.

VI. ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS

The Chairman advised the stockholders of the need to elect members of the Corporation's Board of Directors for the ensuing year and until their successors shall have been elected and qualified. Upon motion duly made and seconded, the following persons were elected as Directors:

1. Jose E.B. Antonio
2. John Victor R. Antonio
3. Jose Marco R. Antonio
4. Jose Carlo R. Antonio
5. Ricardo P Cuerva
6. Rafael G. Yaptinchay
7. Hilda R. Antonio
8. Jose L. Cuisia Jr – Independent Director
9. Stephen T. CuUnjieng – Independent Director
10. Carlos C. Ejercito – Independent Director
11. Aileen Christel U. Ongkauko – Independent Director

VII. APPOINTMENT OF EXTERNAL AUDITORS

The Chairman informed the stockholders of the need to appoint an external auditor of the Corporation. The Chairman said that the auditing firm of SGV and Company was recommended by the Audit Committee and endorsed by the Board of Directors of the Corporation. Upon motion duly made and seconded, the following resolution was unanimously approved by the stockholders:

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| | "RESOLVED, that the Corporation appoints SGV and Company as its external auditor for the ensuing year and to serve as such until its successor shall have been appointed and qualified."<br><br>VIII. AMENDMENT OF ARTICLE I OF THE COMPANY'S AMENDED BYLAWS<br>The Chairman discussed to the stockholders that the ratification for approval of shareholders is being secured amend Article I under the Company's By-Laws to read as follows:<br><br>ARTICLE I Office<br>The principal office of the Corporation shall be located at the 35/F Century Diamond Tower, Century City, Kalayaan Avenue, Makati City. The Corporation may have offices at such other places of business in the Philippines or in foreign countries as the Board may, from time to time, designate. (As amended by the Board of Directors on its special meeting on May 11, 2023 and subject to the approval of the Majority Stockholders of CPGI on June 30, 2023).<br><br>Upon motions duly seconded, the following resolutions as resolved by the Board of Directors during its May 11, 2023 Board Meeting was approved and ratified by the Stockholders present in person or by proxy owning at least two thirds (2/3) of the outstanding capital stock of the Corporation<br><br>"RESOLVED that the Board of Directors of Century Properties Group Inc. hereby approves the amendments of Article 1 under the Amended By-Laws of Century Properties Group Inc. to read as follows:<br><br>ARTICLE I<br>Office<br>The principal office of the Corporation shall be located at the 35/F Century Diamond Tower, Century City, Kalayaan Avenue, Makati City. The Corporation may have offices at such other places of business in the Philippines or in foreign countries as the Board may, from time to time, designate. (As amended by the Board of Directors on its special meeting on May 11, 2023 and subject to the approval of the Majority Stockholders of CPGI on June 30, 2023).<br><br>"RESOLVED FURTHER, that the proper officers of the Corporation are hereby authorized and directed to execute and file the proper certificates of the proceedings of this meeting, to execute, sign, and file any and all documents which may be required by the Securities and Exchange Commission, Philippine Stock Exchange, and other government agencies and to do all actions and things as may be necessary to comply with the provisions of the Corporation Code of the Philippines, Securities Regulation Code and other regulations relating to the subject matter of this resolution."<br><br>"RESOLVED FINALLY", that a copy of this resolution be furnished the entity concerned".<br><br>IX. ADJOURNMENT<br>There being no other matter to discuss and business to transact, the meeting was adjourned at 10:58 a.m. |
| June 30, 2023 | Results of the Organizational Meeting held last June 30, 2023<br><br>The following resolutions were unanimously approved: |

A. The Corporate Secretary certified to the election of the following Directors of the Corporation at the recently concluded Annual Stockholders' Meeting:

1. Jose E.B. Antonio
2. John Victor R. Antonio
3. Jose Marco R. Antonio
4. Jose Carlo R. Antonio
5. Ricardo P Cuerva
6. Rafael G. Yaptinchay
7. Hilda R. Antonio
8. Jose L. Cuisia Jr – Independent Director
9. Stephen T. CuUnjieng – Independent Director
10. Carlos C. Ejercito – Independent Director
11. Aileen Christel U. Ongkauko – Independent Director

B. The Organization of Senior Officers were discussed and upon nominations duly made and seconded, the following persons were unanimously confirmed to the positions set forth after their respective names:

| Position | Name |
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| Executive Chairman | Jose E.B. Antonio |
| Vice Chairman | John Victor R. Antonio |
| President & CEO | Jose Marco R. Antonio |
| Managing Director | Jose Carlo R. Antonio |
| Managing Director | Rafael G. Yaptinchay |
| Corporate Secretary | Atty. Danny E. Bunyi |
| Assistant Corporate Secretary | Carlos Benedict K. Rivilla, IV |

C. Election of members of the Audit Committee, Related Party Transactions Committee, Risk Management and Corporate Governance Committee and the Committee on Strategy and Growth as follows:

**Executive Committee:**
Jose E.B. Antonio – Chairman of the Committee
Jose Marco R. Antonio – Member
John Victor R. Antonio – member
Jose Carlo R. Antonio – Member
Rafael G. Yaptinchay - Member

**Audit Committee:**
Stephen CuUnjieng– Chairman of the Committee (Ind.Director)
Carlos C. Ejercito - Member (Ind. Director)
Jose Carlo R. Antonio – Member
Jose Marco R. Antonio - Member
Rafael G. Yaptinchay – Member

**Risk Management & Corporate Governance Committee**
Jose L. Cuisia, Jr - Chairman of the Committee (Ind. Director)
Jose Marco R. Antonio – Member
Jose E.B. Antonio – Member
John Victor R. Antonio - Member
Rafael G. Yaptinchay – Member
Ricardo P. Cuerva – Member (Non-executive Director)

**Committee on Strategy and Growth:**
Aileen Christel U. Ongkauko - Chairman of the Committee (Ind. Director)
Jose E.B. Antonio – Member
John Victor R. Antonio – Member
Jose Marco R. Antonio – Member

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| | Jose Carlo R. Antonio – Member<br>Stephen CuUnjieng – Member (Ind. Director)<br><br>**Related Party Transactions Committee:**<br>Carlos C. Ejercito - Chairman of the Committee (Ind. Director)<br>Jose L. Cuisia - Member (Ind. Director)<br>Aileen Christel U. Ongkauko - Member (Ind. Director)<br>Jose Marco R. Antonio – Member<br>Jose Carlo R. Antonio – Member<br>Hilda R. Antonio – Member (Non-executive Director)<br><br>The Company fully undertakes that it shall furnish the Honorable Exchange all material documentation and filings for the aforementioned resolutions. |
| July 4, 2023 | The Company has caused the publication last June 19, 2023 of the Notice of Redemption of its Redeemable Peso denominated Preferred Shares (“Preferred Shares” or “CPGP”) pursuant to the approval of the Board as disclosed to the Exchange on May 12, 2023. The redemption price for the Preferred Shares shall be at Php100.00 per share, pursuant to the terms set out in the Prospectus, and shall be paid in check on July 10, 2023 to the relevant shareholders of record as of July 5, 2023. |
| July 10, 2023 | The Company has fully redeemed today, July 10, 2023, its P3 Billion Cumulative, Non-Voting, Non-Convertible, Non-Participating, Redeemable Peso-denominated Preferred Shares (“Preferred Shares” or “CPGP”) issued by the Company and listed on the Exchange on January 10, 2020. |
| July 10, 2023 | Official Press release entitled:<br><br>CENTURY PROPERTIES FULLY REDEEMS P3 BILLION PREFERRED SHARES |
| August 7, 2023 | Results of the Board Meeting held last August 7, 2023<br><br>The following were passed:<br><br>I. APPROVAL OF THE COMPANY’S FINANCIAL REPORT FOR THE QUARTER ENDING JUNE 30, 2023<br>The Chairman informed the Board that there is a need to approve the Financial Report of the Company for the Quarter ending June 30, 2023. Upon motion made and duly seconded, the following resolution was unanimously approved and adopted by the Board:<br><br>“RESOLVED, That the Board of Directors of Century Properties Group Inc. ( the “Corporation”) be authorized, as it is hereby authorized to approve the Financial Report of the Company for the Quarter ending June 30, 2023 and the release of the same.”<br><br>II. PRESENTATION OF KEY BUSINESS UPDATES<br>The Management presented the Company’s Key Business Updates which the Board duly noted and approved. |
| August 17, 2023 | Official Press release entitled:<br><br>CENTURY PROPERTIES H1 2023 REVENUE POSTS 27% GROWTH TO P6.7 B |
| October 18, 2023 | Results of the Special Board Meeting held last October 18, 2023<br><br>The following were passed: |

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| | 1. Resolution approving the authority of the Corporation to Issue up to FIFTY MILLION (50,000,000) of its Preferred Shares (the "Offer Shares") with a par value of 53/100 Pesos (Php0.53) per share from the existing unissued authorized capital stock of the Corporation as Series B Preferred Shares for sale or subscription by way of a follow-on public offering at an offer price of One Hundred Pesos (Php100.00) per share and with full authority of the Corporation's Management to negotiate, agree on, and approve the final terms and conditions of the Offer Shares;<br><br>2. Resolution approving the authority of the Corporation to apply for (i) the registration of the Offer Shares with the Securities and Exchange Commission ("SEC"); and (ii) the listing of the Offer Shares with The Philippine Stock Exchange, Inc. ("PSE") and subject to the approval of these regulatory agencies, the Corporation through its Management be authorized to sign, execute, and deliver any and all documents, contracts, agreements, and instruments as may be required or necessary in connection with the registration and licensing of its shares with the SEC, the listing with the PSE, and the offer for sale to the public of the Offer Shares; and<br><br>3. Resolution authorizing the Corporation to approve, confirm, and ratify, the disclosures contained in the Registration Statement and Prospectus to be filed with the Securities and Exchange Commission and the listing application to be filed with The Philippine Stock Exchange, Inc. in connection with the offer for sale to the public of the Preferred Shares (designated as Series B Preferred Shares).<br><br>4. Resolution further authorizing the Corporation to implement all necessary corporate and other actions to proceed with the offering and issuance of the Offer Shares;<br><br>5. Resolution approving the conduct of a Solicitation of the Stockholders' Written Assent on November 13, 2023 with a record date of November 6, 2023. |
| November 8, 2023 | Results of the Board Meeting held last November 8, 2023<br><br>The following were passed:<br><br>I. APPROVAL OF THE COMPANY'S FINANCIAL REPORT FOR THE QUARTER ENDING SEPTEMBER 30, 2023<br><br>The Chairman informed the Board that there is a need to approve the Financial Report of the Company for the Quarter ending September 30, 2023. Upon motion made and duly seconded, the following resolution was unanimously approved and adopted by the Board:<br><br>"RESOLVED, That the Board of Directors of Century Properties Group Inc. (the "Corporation") be authorized, as it is hereby authorized to approve the Financial Report of the Company for the Quarter ending September 30, 2023 and the release of the same."<br><br>II. PRESENTATION OF KEY BUSINESS UPDATES<br><br>The Management presented the Company's Key Business Updates which the Board duly noted and approved |
| November 10, 2023 | Official Press release entitled:<br><br>Century Properties Group's 9M 2023 revenue rises to P9.7 B First-Home business segment buoys 10% revenue growth |
| November 13, 2023 | Results of the Board Meeting held last November 8, 2023<br><br>The following were passed: |

| | |
|---|---|
| | CPGI would like to inform the Honorable Commission that as of November 13, 2023, the Company has secured the written assent of its stockholders representing 77.61% or 9,079,756,166 of the total outstanding common capital stock of the Company (more than the minimum required stockholder written assent) in relation to the following:<br><br>1. Resolution approving the authority of the Corporation to Issue up to FIFTY MILLION (50,000,000) of its Preferred Shares (the "Offer Shares") with a par value of 53/100 Pesos (Php0.53) per share from the existing unissued authorized capital stock of the Corporation as Series B Preferred Shares for sale or subscription by way of a follow-on public offering at an offer price of One Hundred Pesos (Php100.00) per share and with full authority of the Corporation's Management to negotiate, agree on, and approve the final terms and conditions of the Offer Shares;<br><br>2. Resolution approving the authority of the Corporation to apply for (i) the registration of the Offer Shares with the Securities and Exchange Commission ("SEC"); and (ii) the listing of the Offer Shares with The Philippine Stock Exchange, Inc. ("PSE") and subject to the approval of these regulatory agencies, the Corporation through its Management be authorized to sign, execute, and deliver any and all documents, contracts, agreements, and instruments as may be required or necessary in connection with the registration and licensing of its shares with the SEC, the listing with the PSE, and the offer for sale to the public of the Offer Shares; and<br><br>3. Resolution authorizing the Corporation to approve, confirm, and ratify, the disclosures contained in the Registration Statement and Prospectus to be filed with the Securities and Exchange Commission and the listing application to be filed with The Philippine Stock Exchange, Inc. in connection with the offer for sale to the public of the Preferred Shares (designated as Series B Preferred Shares).<br><br>4. Resolution further authorizing the Corporation to implement all necessary corporate and other actions to proceed with the offering and issuance of the Offer Shares; |
| November 28, 2023 | Official Press release entitled:<br><br>CENTURY PROPERTIES GAINS FULL OWNERSHIP OF FIRST-HOME BUSINESS |
| November 28, 2023 | Acquisition by CPG of the 40% shares of Mitsubishi Corporation in Phirst Park Homes, Inc.<br><br>At the Special Board Meeting held on May 31, 2023, the Board of Directors of the Company approved the acquisition of the 40% shareholdings or One Billion Sixty Million (1,060,000,000) common shares with a par value of One Peso (PhP1.00) per share and Two Hundred Sixty Five Thousand (265,000) Preferred B shares with a par value of One Thousand Pesos (PhP1,000.00) per share of MITSUBISHI CORPORATION in PHirst Park Homes Inc. ("PPHI"). The said acquisition is subject to agreed conditions precedent and credit and regulatory approvals, including the Philippine Competition Commission.<br><br>PPHI was incorporated on August 31, 2018, and is the first-home division and brand of CPGI. Its projects are located within the fringes of Metro Manila and its target market are first-time homebuyers. Its current projects are located at Lipa and Batulao in Batangas, San Pablo and Calamba in Laguna, Naic, General Trias and Tanza in Cavite, Baliwag and Pandi in Bulacan, Tayabas in Quezon, Magalang in Pampanga, Balanga in Bataan and Gapan Nueva Ecija, which involve a multi-phase horizontal residential property and offer both Townhouse units & Single Attached units. PPHI is a joint venture project between Century Properties Group Inc. and Mitsubishi Corporation with a 60-40% shareholding, respectively. |

| | |
|---|---|
| | After receipt of the favorable Decision from the Philippine Competition Commission, both Parties shall work towards the execution of the Deed of Absolute Sale of Shares and closing the transaction. |
| December 1, 2023 | Company's application for the issuance of up to FIFTY MILLION (50,000,000) of its Preferred Shares (the "Offer Shares") with a par value of 53/100 Pesos (Php0.53) per share from the existing unissued authorized capital stock of the Corporation as Series B Preferred Shares for sale or subscription by way of a follow-on public offering at an offer price of One Hundred Pesos (Php100.00) per share<br><br>Pursuant to the Disclosure Report No. C07550-2023 posted on October 18, 2023 and Disclosure Report No. C08100-2023 posted on November 14, 2023, the Company filed today, December 1, 2023 a Registration Statement with the Securities and Exchange Commission ("SEC") in respect of the Company's application for the issuance of up to FIFTY MILLION (50,000,000) of its Preferred Shares (the "Offer Shares") with a par value of 53/100 Pesos (Php0.53) per share from the existing unissued authorized capital stock of the Corporation as Series B Preferred Shares for sale or subscription by way of a follow-on public offering at an offer price of One Hundred Pesos (Php100.00) per share and with full authority of the Corporation's Management to negotiate, agree on, and approve the final terms and conditions of the Offer Shares, subject to the approval of the SEC. The company shall likewise file an application for the listing of the Offer Shares with The Philippine Stock Exchange, Inc. ("PSE"), accordingly.<br><br>A copy of the Preliminary Prospectus and its annexes may be viewed at the Company's website - https://www.century-properties.com/investor-relations/disclosures/ |

## SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on _____.

## CENTURY PROPERTIES GROUP INC.

By:

**JOSE E.B. ANTONIO**
Chairman

**JOSE MARCO R. ANTONIO**
President and CEO

**PONCIANO S. CARREON. JR.**
Chief Finance Officer

**CARLOS BENEDICT K. RIVILLA, IV**
Assistant Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this APR 15 2024 day of _____ 2024 affiants exhibiting to me his/their Residence Certificates, as follows:

Doc. No. 71;
Page No. 16;
Book No. I;
Series of 2024.

HORACIO J. BAGO
Appointment No. M-282
Notary Public for Makati City
Until December 2025
23rd Floor Century Diamond Tower, Century City
Kalayaan Avenue cor., Salamanca Street,
Barangay Poblacion Makati City
Roll of Attorneys No. 63670
IBP No. Lifetime Member No. 013489
PTR No.10109462MN, 01,26,2024/ Makati City
MCLE Compliance No. VII-0021291 valid until April 14, 2025.

**ANNEX "A"**

**CENTURY PROPERTIES GROUP INC.**
**MANAGEMENT REPORT**

**FOR THE**
**2024 ANNUAL MEETING OF STOCKHOLDERS**
**Pursuant to SRC Rule 20 (4) (A)**

## BUSINESS OF THE COMPANY

Century Properties Group, Inc., ("CPGI") is one of the leading real estate companies in the Philippines with a thirty-seven (37) year of experience. The Company is primarily engaged in the development, marketing, and sale of mid- and high-rise condominiums and single detached homes, leasing of retail and office space, and property management.

As of December 31, 2023, the Company has completed 38 projects, which includes 33 residential projects, consisting of 18,589 units and an aggregate gross floor area ("GFA") of 1,462,749 sqm (inclusive of parking) and retail commercial building with gross leasable area ("GLA") of 16,443 sqm (inclusive of parking); a medical office building with GLA of 29,749 sqm (inclusive of parking); two (2) office buildings with GLA of 29,154 sqm (inclusive of parking) and 57,137 sqm (inclusive of parking), respectively, and CPGI's first hospitality venture, a 152-room hotel with 12,538 sqm (inclusive of parking). Furthermore, the Company has also completed 9,010 homes under its affordable housing segment. These are in addition to the 19 buildings consisting of 4,128 units with an aggregate GFA of 548,262 sqm that were completed prior to 2010 by the Meridien Group of Companies ("Meridien"), the founding principals' prior development companies. Noteworthy developments of Meridien include: The Essensa East Forbes and South of Market in Fort Bonifacio, SOHO Central in the Greenfield District of Mandaluyong City, Pacific Place in Ortigas, Le Triomphe, Le Domaine, and Le Metropole in Makati City.

### Completed Projects as of December 31, 2023

| Residential Projects | Location | Type | GFA in sq.m. (with parking) | Units | Year Completed |
|---|---|---|---|---|---|
| **Century City** | | | | | |
| Gramercy Residences | Makati City | Residential | 121,595 | 1,433 | 2012 |
| Knightsbridge Residences | Makati City | Residential | 87,717 | 1,329 | 2013 |
| Milano Tower | Makati City | Residential | 64,304 | 516 | 2016 |
| Trump Tower | Makati City | Residential | 55,504 | 267 | 2017 |
| Century Spire | Makati City | Residential/Office | 92,138 | 552 | 2022 |
| ***Subtotal*** | | | ***421,257*** | ***4,097*** | |
| **Azure Urban Resorts Residences** | | | | | |
| Rio | Parañaque City | Residential | 42,898 | 756 | 2013 |
| Santorini | Parañaque City | Residential | 36,126 | 553 | 2013 |
| St. Tropez | Parañaque City | Residential | 36,260 | 580 | 2014 |
| Positano | Parañaque City | Residential | 35,164 | 597 | 2015 |
| Miami | Parañaque City | Residential | 34,954 | 559 | 2015 |
| Maui | Parañaque City | Residential | 41,235 | 601 | 2016 |
| Maldives | Parañaque City | Residential | 28,859 | 385 | 2017 |
| Boracay | Parañaque City | Residential | 27,713 | 473 | 2018 |

| | | | | | |
|---|---|---|---|---|---|
| Bahamas | Parañaque City | Residential | 53,701 | 851 | 2019 |
| ***Subtotal*** | | | ***336,909*** | ***5,355*** | |
| **Residential Projects** | **Location** | **Type** | **GFA in sq.m. (with parking)** | **Units** | **Year Completed** |
| **Acqua Private Residences** | | | | | |
| Niagara | Mandaluyong City | Residential | 33,709 | 474 | 2015 |
| Sutherland | Mandaluyong City | Residential | 41,705 | 736 | 2015 |
| Dettifoss | Mandaluyong City | Residential | 36,536 | 607 | 2016 |
| Livingstone | Mandaluyong City | Residential | 40,251 | 675 | 2016 |
| Iguazu | Mandaluyong City | Residential | 36,367 | 492 | 2018 |
| Acqua Tower 6 | Mandaluyong City | Residential | 13,531 | 185 | 2019 |
| ***Subtotal*** | | | ***202,099*** | ***3,169*** | |
| **The Residences at Commonwealth by Century** | | | | | |
| Osmeña West | Quezon City | Residential | 14,525 | 158 | 2015 |
| Quezon North | Quezon City | Residential | 17,760 | 285 | 2017 |
| Roxas East | Quezon City | Residential | 27,255 | 389 | 2017 |
| Osmeña East | Quezon City | Residential | 14,089 | 220 | 2018 |
| Roxas West | Quezon City | Residential | 26,767 | 500 | 2019 |
| Quirino West | Quezon City | Residential | 26,759 | 517 | 2020 |
| Quirino East | Quezon City | Residential | 26,747 | 498 | 2020 |
| Quezon South | Quezon City | Residential | 38,341 | 687 | 2022 |
| ***Subtotal*** | | | ***192,245*** | ***3,254*** | |
| **Canyon Ranch** | | | | | |
| Phase 1 & 2 | Carmona, Cavite | Residential | 166,896 | 779 | *Per house* |
| Moderno | Carmona, Cavite | Residential | 25,304 | 146 | *Per house* |
| ***Subtotal*** | | | ***192,200*** | ***925*** | |
| **The Resort Residences at Azure North** | | | | | |
| Monaco | Pampanga | Residential | 43,063 | 798 | 2021 |
| Bali | Pampanga | Residential | 43,063 | 806 | 2021 |
| ***Subtotal*** | | | ***86,125*** | ***1,604*** | |
| | | | | | |
| ***Commune Village at Batulao*** | ***Batangas*** | ***Residential*** | ***31,914*** | ***185*** | ***Per house*** |
| | | | | | |
| **Grand Total** | | | ***1,462,749*** | ***18,589*** | |

| Commercial/Office Projects | Location | Type | GLA in sq.m. (with parking) | Units | Year Completed |
|---|---|---|---|---|---|
| Century City Mall | Makati City | Retail | 16,443 | 150 | 2013 |
| Centuria Medical Makati | Makati City | Medical Office | 29,749 | 708* | 2015 |
| Asian Century Center | BGC, Taguig City | Office Building | 29,154 | 51 | 2018 |
| Century Diamond Tower | Makati City | Office Building | 57,137 | 206 | 2019 |
| Novotel Suites Manila | Mandaluyong City | Hotel | 12,538 | 152 | 2022 |
| **Total** | | | **145,021** | **1,267** | |

**571 units sold, 141 units for lease*

*Note: Excludes projects completed by Meridien*

The Company, through subsidiary CPMI, also engages in a wide range of property management services, from facilities management and auction services, to lease and secondary sales. Through CPMI, the Company endeavors to ensure the properties it manages maintain and improve their asset value and are safe and secure. As of December 31, 2023, CPMI manages 64 projects with a total of 97 buildings and 7.56 million sq. m of GFA (inclusive of parking) under management. Of the total CPMI projects under management, 63% of the projects were developed by third parties. Notable third-party developed projects under management include One Corporate Center and Union Bank Plaza in Ortigas, Pacific Star Building in Makati City, Philippine National Bank branches in various locations, National Grid Corporation of the Philippines in Quezon City and San Juan City, The Globe Tower in Cebu and De La Salle University in Lipa City.

## 1.2 SUBSIDIARIES AND ASSOCIATE

Below is the Company's percentage of ownership in its Subsidiaries and Associate as of the filing of this report.

| | Percentage of Ownership as of the Filing of the Report | |
|---|---|---|
| | Direct | Indirect |
| Century Communities Corporation (CCC) | 100 | - |
| Century City Development Corporation (CCDC) | 100 | - |
| Century Limitless Corporation (CLC) | 100 | - |
| Century Properties Management Inc. (CPMI) | 100 | - |
| PHirst Park Homes, Inc (PPHI) | 100 | - |
| Century Destinations and Lifestyle Corp. *(Formerly Century Properties Hotel and Leisure, Inc.)* | 100 | - |
| Century Nuliv Development Corporation *(Formerly Century Prima Corp)* | 100 | - |

*Century Communities Corporation*

CCC, incorporated in 1994, is focused on horizontal house and lot developments. From the conceptualization to the sellout of a project, CCC provides experienced specialists who develop and execute the right strategy to successfully market a project. CCC is the developer of Canyon Ranch, a 25-hectare house and lot development located in Carmona, Cavite.

*Century City Development Corporation*

CCDC, incorporated in 2006, is focused on developing mixed-use communities that include residences, office, and retail properties. CCDC is currently developing Century City, a 3.4-hectare mixed-use development along Kalayaan Avenue in Makati City.

*Century Limitless Corporation*

CLC, incorporated in 2008, is Century's brand category that focuses on developing high-quality, affordable residential projects. Projects under CLC will cater to first-time home buyers, start-up families and investors seeking safe, secure and convenient homes.

*Century Properties Management, Inc.*

Incorporated in 1989, CPMI is one of the largest property management companies in the Philippines, as measured by total gross floor area under management. CPMI currently has 64 projects in its portfolio, covering a total gross floor area of 7.56 million sqm. The Company believes that CPMI is the first independent and local property management company to introduce international standards in the Philippine property market. CPMI has been awarded 18 safety and security distinctions from the Safety Organization of the Philippines.

*Century Destinations and Lifestyle Corp. (CDLC)*
*(Formerly Century Properties Hotel and Leisure, Inc.)*

Incorporated in 2014, CPHLI shall operate, conduct and engage in hotel and leisure and related business ventures.

*PHirst Park Homes Inc. (PPHI)*

PPHI, incorporated on 31 August 2018, is the first-home division and brand of CPGI. Its projects are located within the fringes of Metro Manila and its target market are first-time homebuyers. Its current projects are located at Barangay San Lucas in Lipa City and San Pablo, Laguna, which involve a multi-phase horizontal residential property and offer both Townhouse units & Single Attached units. PHirst Park Homes is a joint venture project between Century Properties Group Inc. and Mitsubishi Corporation with a 60-40% shareholding, respectively. On 31 May 2023, the Board of Directors of the Company approved the acquisition of the 40% shareholdings or One Billion Sixty Million (1,060,000,000) common shares with a par value of One Peso (₱1.00) per share and Two Hundred Sixty-Five Thousand (265,000) Preferred B shares with a par value of One Thousand Pesos (₱1,000.00) per share of Mitsubishi Corporation in PPHI. As of 24 November 2023, the acquisition was concluded, and a deed of absolute sale was executed by Mitsubishi Corporation in favor of the Company.

*Century Nuliv Development Corporation (CNDC)*
*(Formerly Century Prima Corp.)*

Incorporated in 2020, CNDC shall focus on continuing Century's legacy of serving the needs of the premium and luxury market. Its subdivisions and enclaves consist of premium townvillas, house and lots, and low-rise, low-density condos located in Metro Manila and key growth cities in the Philippines. CNDC's developments feature innovative and inspired architectural designs and provide superior customer experience that is keenly attuned to primary home buyer preferences and new generation living.

## 1.3 RECENT TRANSACTIONS

### Issuance of ₱3 Billion Fixed Rate Retail Bonds

On 17 March 2023, CPGI issued and listed with the PDEx a total of ₱3,000,000,000 Fixed Rate Retail Bonds comprising of 6.5760% per annum three (3) year fixed rate bonds ("Series A Bonds"), 7.4054% per annum five (5) year fixed rate bonds ("Series B Bonds") and 7.6800% per annum seven (7) year fixed rate bonds ("Series C Bonds"). The bond issuance is the second tranche of the Company's ₱6,000,000,000.00 Debt Securities Program Shelf Registration with the SEC under SEC Order No. 5, Series of 2022. The bonds have been rated "AA+" by Credit Rating and Investor Services Philippines Inc. (CRISP).

The proceeds from the issuance of the bonds were used primarily: (i) to partially finance the redemption of CPGP Preferred Shares with dividend rate of 6.7177%; (ii) to fund capital expenditures for new horizontal affordable housing developments; and (iii) to fund general corporate requirements.

### Acquisition of Shares of Mitsubishi Corporation in PHirst Park Homes Inc.

On 31 May 2023, the Board of Directors of CPGI approved the acquisition of the 40% shareholdings or One Billion Sixty Million (1,060,000,000) common shares with a par value of One Peso (₱1.00) per share and Two Hundred Sixty-Five Thousand (265,000) Preferred B shares with a par value of One Thousand Pesos (₱1,000.00) per share of Mitsubishi Corporation in PPHI. The Philippine Competition Commission has approved the above transaction on 9 August 2023.

PPHI was incorporated on 31 August 2018, and is the first-home division and brand of CPGI. Its projects are located within the fringes of Metro Manila and its target market is first-time homebuyers. Its current projects are located at Lipa and Batulao in Batangas, San Pablo and Calamba in Laguna, Naic, General Trias and Tanza in Cavite, Baliwag and Pandi in Bulacan, Tayabas in Quezon, Magalang in Pampanga, Balanga in Bataan and Gapan Nueva Ecija, which involve a multi-phase horizontal residential property and offer both Townhouse units & Single Attached units. PPHI is a joint venture project between Century Properties Group Inc. and Mitsubishi Corporation with a 60-40% shareholding, respectively.

On 24 November 2023, the Company has concluded the acquisition of 40% shareholdings or One Billion Sixty Million (1,060,000,000) common shares at ₱1.09 per share and Two Hundred Sixty-Five Thousand (265,000) Preferred B shares at ₱1,085.28 per share of Mitsubishi Corporation, with a total acquisition price of One Billion Four Hundred Thirty-Eight Million Pesos Only (₱1,438,000,000.00) paid in cash. A Deed of Absolute Sale of Shares was executed by Mitsubishi Corporation in favor of CPGI.

**Redemption of ₱3 Billion Preferred Shares**

On 10 July 2023, CPGI fully redeemed its ₱3,000,000,000.00 cumulative, non-voting, non-convertible, non-participating, non-convertible, redeemable Peso-denominated Preferred Shares ("CPGP Preferred Shares") issued by the Company and listed on the PSE on 10 January 2020.

The Company's Board of Directors approved the optional redemption of the CPGP Preferred Shares in its special board meeting last 12 May 2023. The CPGP Preferred Shares were redeemed at its redemption price of One Hundred Pesos (₱100.00) per share, pursuant to the terms set out in the Prospectus dated 12 December 2019. The preferred shares were redeemed last July 10, 2023

**Century PHirst Corporation**

On 23 February 2023, CPGI announced the expansion of its first home market residential offerings through Century PHirst Corporation (CPC), a wholly owned subsidiary of Century Limitless Corporation (CLC). Through CPC, CPGI will, by itself, be venturing into the socialized, economic, and mid-income residential markets. CLC is a wholly owned subsidiary of CPGI.

CPC's flagship projects are: (1) PHirst Editions Batulao located in Nasugbu, Batangas, which was launched in October 2022; (2) PHirst Sights Bay in Laguna, which was launched in December 2022; and (3) PHirst Centrale Hermosa in Bataan, which was launched in December 2022 (PHirst Fairgrounds) and May 2023 (PHirst Impressions).

PHirst Editions Batulao, Century PHirst's maiden middle-income development, is a horizontal residential project in Nasugbu, Batangas and is located adjacent to the existing PHirst Park Homes Batulao community. PHirst Editions Batulao spans 14 hectares and will house 629 single attached and single detached units with a project sales value of ₱3.06 Billion for middle income, priced from ₱3.2 Million to ₱6 Million.

## MARKET FOR COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

### Market Information

The shares of the Company consist of common and preferred shares, which are presently being traded in the Philippine Stock Exchange.

The high, low and close prices for the common shares of the Company for each quarter within the last three (3) fiscal years are as follows:

| **(in ₱)** | **2024** | | | **2023** | | | **2021** | | | **2021** | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Quarter** | **High** | **Low** | **Close** | **High** | **Low** | **Close** | **High** | **Low** | **Close** | **High** | **Low** | **Close** |
| First quarter | 0.31 | 0.29 | 0.30 | 0.410 | 0.350 | 0.365 | 0.430 | 0.37 | 0.42 | 0.385 | 0.375 | 0.380 |
| Second quarter | | | | 0.380 | 0.345 | 0.360 | 0.425 | 0.360 | 0.365 | 0.570 | 0.550 | 0.570 |
| Third quarter | | | | 0.370 | 0.320 | 0.330 | 0.395 | 0.345 | 0.355 | 0.440 | 0.430 | 0.440 |
| Fourth quarter | | | | 0.335 | 0.270 | 0.280 | 0.385 | 0.330 | 0.385 | 0.470 | 0.380 | 0.400 |

The high, low and close prices for the preferred shares of the Company for each quarter within the first 3 years of trading are as follows:

**Preferred Shares (CPGPB)**
***Listed on February 22, 2024**

| **(in ₱)** | **2023** | | |
|---|---|---|---|
| **Quarter** | **High** | **Low** | **Close** |
| First quarter | 100.90 | 100.90 | 100.90 |

## STOCKHOLDERS

The number of stockholders of the Company's commons shares of record as of March 31, 2024 is Four Hundred Ninety Six (496). The number of issued and outstanding common shares of the Company as of March 31, 2024 are Eleven Billion Six Hundred Ninety Nine Million Seven Hundred Twenty Three Thousand Six Hundred Ninety (11,699,723,690).

The top 20 stockholders of the Company's common shares as of March 31, 2023 are as follows:

| STOCKHOLDER'S NAME | OUTSTANDING & ISSUED SHARES | PERCENTAGE TO TOTAL |
|---|---|---|
| CENTURY PROPERTIES, INC. | 6,311,104,949 | 53.942 |
| PCD NOMINEE CORPORATION (FILIPINO) | 4,968,941,790 | 42.471 |
| F. YAP SECURITIES, INC. | 169,183,755 | 1.446 |
| TRIVENTURES CONSTRUCTION & MANAGEMENT CORPORATION | 119,441,756 | 1.021 |
| PCD NOMINEE CORPORATION (NON-FILIPINO) | 109,947,950 | 0.940 |
| QIU NINI | 6,800,000 | 0.058 |
| ERNESTO B. LIM | 6,000,000 | 0.051 |
| PEDRO RIZALDY ALARCON | 1,000,000 | 0.009 |
| GOH WAY SIONG | 1,000,000 | 0.009 |
| SOLAR SECURITIES, INC. | 723,978 | 0.006 |
| ANTONIO A. INDUCTIVO | 723,959 | 0.006 |
| VICTOR S. CHIONGBIAN | 688,732 | 0.006 |
| RAFAEL JAY P. RAMORES | 510,596 | 0.004 |
| VICENTE GOQUIOLAY & CO., INC. | 395,288 | 0.003 |
| MAGDALENO B. DELMAR, JR. | 361,458 | 0.003 |
| CRISANTO L. DAPIGRAN | 217,000 | 0.002 |
| REGINA CAPITAL DEV. CORP. 000351 | 200,000 | 0.002 |
| ALFRED REITERER | 200,000 | 0.002 |
| PACIFICO B. TACUB | 150,661 | 0.001 |
| ROMAN T. YAP | 144,794 | 0.001 |

The number of stockholders of the Company's preferred shares of record as of March 31, 2024 is Three(3). The number of issued and outstanding preferred shares of the Company as of March 31, 2024 are Twenty Million (20,000,000).

The top stockholders of the Company's preferred shares as of March 31, 2024 are as follows:

| Name | Number of Shares Held | % to Total |
|---|---|---|
| 2. PCD Nominee Corporation ( Filipino ) | 19,896,500 | 99.49 |
| 3. PCD Nominee Corporation ( Non-Filipino ) | 103,500 | .51 |

## FOREIGN EQUITY HOLDERS

As of 31 March 2024 the percentage of the total outstanding common shares and preferred shares of the Company held by foreigners are % and %, respectively.

| Class of Shares | Total Outstanding Shares | Local Shares | Foreign Shares |
|---|---|---|---|
| Common Shares | 11,599,600,690 | 11,481,652,439 | 117,948,251 |
| Percentage Holdings | | 98.99% | 1.01% |

| Class of Shares | Total Outstanding Shares | Local Shares | Foreign Shares |
|---|---|---|---|
| Preferred Shares | 20,000,000 | 19,896,500 | 103,500 |
| Percentage Holdings | | 99.949% | 0.51% |

## CPGI'S DIVIDENDS AND DIVIDEND POLICY

The Company declares dividends yearly, either through Cash or Stock, to shareholders of record, which are paid from the Company's unrestricted retained earnings. CPGI intends to maintain an annual cash dividend payment ratio for the issued and outstanding common shares of the Company of approximately 10% of its consolidated net income from the preceding fiscal year, subject to the requirements of applicable laws and regulations, availability of unrestricted retained earnings and the absence of circumstances which may restrict the payment of such dividends.

Below is the summary of the Company's cash dividend declaration for Common Shareholders.

| **Cash Dividends** | | | | |
|---|---|---|---|---|
| **Fiscal Year** | **Total Amount of Dividends** | **Amount of dividends per share** | **Date of Declaration** | **Date of Payment** |
| 2012 | 184,436,193 | ₱0.019024 | April 15, 2013 | May 16, 2013 |
| 2013 | 184,471,576 | ₱0.0190 | April 30, 2014 | June 5, 2014 |
| 2014 | 201,158,909 | ₱0.0173418822 | June 15, 2015 | July 16, 2015 |
| 2015 | ₱205,022,943 | ₱0.0177 | June 22, 2016 | July 20, 2016 |
| 2016 | ₱205,065,834 | ₱0.0177 | May 22, 2017 | June 19, 2017 |
| 2017 | ₱199,999,999 | ₱0.0172 | June 8, 2018 | July 6, 2018 |
| 2018 | ₱137,919,252 | ₱0.01189 | June 25, 2019 | July 23, 2019 |
| 2019 | ₱147,847,020 | ₱0.0063 | August 26, 2020 | September 18, 2020 |
| | | ₱0.0063 | | November 18, 2020 |

| | | | | |
|---|---|---|---|---|
| 2020 | ₱114,923,406 | ₱0.0050 | July 21, 2021 | August 18, 2021 |
| | | ₱0.0050 | | October 18, 2021 |
| 2021 | 0 | 0 | - | - |
| 2022 | ₱140,475,907.9 | ₱0.006055 | 29 June 2023 | 11 August 2023 |
| | | ₱0.006055 | | 13 October 2023 |

Below is the summary of the Company's stock dividend declaration for Common Shareholders.

| **Stock Dividends** | | | | |
|---|---|---|---|---|
| **Fiscal Year** | **Total Number of Shares** | **Dividend Rate** | **Date of Declaration** | **Date of Payment** |
| 2013 | 1,999,999,993 | 20.661985% | October 13, 2014 | November 14, 2014 |

Below is the summary of the Company's cash dividend declaration for holders of Preferred Shares:

| **Cash Dividends** | | | | |
|---|---|---|---|---|
| **Fiscal Year** | **Total Amount of Dividends** | **Amount of dividends per share** | **Record Date** | **Date of Payment** |
| 2020 | ₱50,382,750 | ₱1.6794250 | July 8, 2020 | July 10, 2020 |
| | ₱50,382,750 | ₱1.6794250 | October 6, 2020 | October 12, 2020 |
| | ₱50,382,750 | ₱1.6794250 | January 5, 2021 | January 11, 2021 |
| 2021 | ₱50,382,750 | ₱1.6794250 | April 6, 2021 | April 12, 2021 |
| | ₱50,382,750 | ₱1.6794250 | July 6, 2021 | July 12, 2021 |
| | ₱50,382,750 | ₱1.6794250 | October 6, 2021 | October 11, 2021 |
| 2022 | ₱50,382,750 | ₱1.6794250 | January 5, 2023 | January 10, 2023 |
| | ₱50,382,750 | ₱1.6794250 | April 6, 2023 | April 12, 2023 |
| 2023 | ₱50,382,750 | ₱1.6794250 | July 6, 2023 | July 10, 2023 |

CPGI intends to maintain an annual cash dividend payment ratio for the issued and outstanding common shares of the Company of approximately 10% of its consolidated net income from the preceding fiscal year, subject to the requirements of applicable laws and regulations, availability of unrestricted retained earnings and the absence of circumstances which may restrict the payment of such dividends.

The Company declares dividends yearly, either through Cash or Stock, to shareholders of record, which are paid from the Company's unrestricted retained earnings.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

## Results of Operations and Material Changes to the Company's Income Statement for the year ended December 31, 2023 compared to December 31, 2022 (increase/decrease of 5% or more)

***(In Millions of Peso)***

| | | | Movement | |
|---|---|---|---|---|
| | **2023** | **2022** | **Amount** | **%** |
| **REVENUE** | | | | |
| Real estate revenue | ₱10,794.58 | ₱9,231.48 | ₱1,563.09 | 16.93% |
| Leasing revenue | 1,293.12 | 1,362.47 | (69.35) | -5.09% |
| Property management fee, hotel and other services | 519.97 | 423.37 | 96.60 | 22.82% |
| Interest income from real estate sales | 93.75 | 109.32 | (15.57) | -14.24% |
| | **12,701.42** | **11,126.65** | **1,574.77** | **14.15%** |
| **COST AND EXPENSES** | | | | |
| Cost of real estate revenue | 6,013.02 | 5,607.26 | 405.76 | 7.24% |
| Cost of leasing | 438.49 | 440.82 | (2.32) | -0.53% |
| Cost of services | 320.59 | 268.35 | 52.24 | 19.47% |
| | **6,772.10** | **6,316.43** | **455.68** | **7.21%** |
| **GROSS PROFIT** | **5,929.31** | **4,810.22** | **1,119.09** | **23.26%** |
| **GENERAL, ADMINISTRATIVE AND SELLING EXPENSES** | **3,350.73** | **2,771.10** | **579.63** | **20.92%** |
| **OTHER INCOME (EXPENSES)** | | | | |
| Interest and other income | 798.18 | 469.28 | 328.90 | 70.09% |
| Gain from change in fair values of investment properties | 26.93 | 28.25 | (1.32) | -4.66% |
| Income from investment in associate | 1.96 | 3.92 | (1.96) | -50.00% |
| Foreign exchange gain (loss) | (0.38) | 1.06 | (1.44) | -135.37% |
| Interest and other financing charges | (1,208.44) | (917.89) | (290.55) | 31.65% |
| | **(381.75)** | **(415.39)** | **33.64** | **8.10%** |
| **INCOME BEFORE INCOME TAX** | **2,196.84** | **1,623.73** | **573.10** | **35.30%** |
| **PROVISION FOR INCOME TAX** | **342.19** | **218.97** | **123.22** | **56.27%** |
| **NET INCOME** | **₱1,854.64** | **₱1,404.76** | **₱449.88** | **32.03%** |

**16.93% increase in real estate revenue**

The increase in real estate revenue is mainly attributable to higher sales take up, collection and completion of the group's first home business segment during the period.

**5.09% decrease in leasing revenue**

The increase was mainly due to the slightly elevated vacancy rate and lower lease rate during the period.

**22.82% increase in property management fee, hotel and other services**

The increase is primarily due to the increase in management and service fee rates for property managed, and increased number of project and building managed. Hotel services also contributed to the increase.

**14.24% decrease in interest income from real estate sales**
Interest income from real estate sales represents interest accretion from installment contract receivables (ICR) and contract assets recognized during the year. Discount subject to accretion arises from the difference between present value of ICR and contract asset and its nominal value. Income decreased since most of the projects are already turned over.

**7.24% increase in cost of sales**
The increase is due to higher sales revenue recognized during the period.

**7.24% increase in cost of services**
The increase is mostly due to more revenue generating activities in property managementand hotel business.

**20.92% increase in general, administrative and selling expenses**
The increase is mainly attributable to higher selling and marketing activities for the first home business segment for the existing and newly launched projects and phases.

**70.09% increase in interest and other income**
The increase is mainly attributable to the increase in interest income earned from short term temporary money market placements and recognition as other income the forfeited collections cancelled past due buyers accounts.

**4.66% decrease in gain from change in fair value**
The decrease is mainly attributable to the lower fair value of Centuria Medical Makati and Century City Mall in 2023 compared to the same period in 2022.

**50.00% decrease in share in net income from its associate**
The decrease is due to lower reported income of some associates.

**31.65% increase in interest and other financing charges**
The increase was due to higher interest rates and outstanding interest-bearing debt compared with same period in prior year.

**56.27% increase in Provision for Income Tax**
The increase was primarily due to higher taxable income during the period.

**As a result of the foregoing, net income increased by 32.03%.**

## Financial Condition and Material Changes to the Company's Income Statement for the year ended December 31, 2023 compared to December 31, 2022 (increase/decrease of 5% or more)

***(In Millions of Pesos)***

| | | | Movement | |
|---|---|---|---|---|
| | **2023** | **2022** | **Amount** | **%** |
| **ASSETS** | | | | |
| Cash and cash equivalents | ₱3,543.35 | ₱4,130.88 | (587.53) | -14.22% |
| Short-term investments | 18.26 | 36.79 | (18.53) | -50.37% |
| Receivables | 10,646.18 | 9,845.28 | 800.90 | 8.13% |
| Real estate inventories | 18,832.24 | 17,723.40 | 1,108.84 | 6.26% |
| Due from related parties | 1,566.24 | 975.32 | 590.92 | 60.59% |
| Advances to suppliers and contractors | 1,661.85 | 1,749.97 | (88.12) | -5.04% |
| Other current assets | 1,679.89 | 1,642.04 | 37.85 | 2.31% |
| **Total Current Assets** | **37,948.01** | **36,103.68** | **1,844.33** | **5.11%** |
| Noncurrent portion of installment contract receivables | 1,268.85 | 109.04 | 1,159.81 | 1,063.66% |
| Deposits for purchased land | 1,116.79 | 1,409.48 | (292.69) | -20.77% |
| Investments in and advances to joint ventures and associate | 277.32 | 275.37 | 1.95 | 0.71% |
| Investment properties | 12,421.91 | 12,394.98 | 26.93 | 0.22% |
| Property and equipment | 1,372.76 | 2,484.32 | (1,111.56) | -44.74% |
| Deferred tax assets – net | 48.36 | 33.20 | 15.16 | 45.66% |
| Other noncurrent assets | 931.42 | 1,121.02 | (189.60) | -16.91% |
| **Total Noncurrent Assets** | **17,437.41** | **17,827.42** | **(390.00)** | -2.19% |
| **TOTAL ASSETS** | **55,385.42** | **53,931.10** | **1,454.33** | 2.70% |
| **LIABILITIES** | | | | |
| Accounts and other payables | 6,219.58 | 4,994.69 | 1,224.88 | 24.52% |
| Contract liabilities | 3,873.08 | 2,769.10 | 1,103.98 | 39.87% |
| Short-term debt | 791.66 | 235.14 | 556.52 | 236.68% |
| Current portion of: | | | | |
| Long-term debt | 3,851.90 | 2,192.45 | 1,659.45 | 75.69% |
| Bonds Payable | 3,000.00 | - | 3,000.00 | 100.00% |
| Liability from purchased land | 49.48 | 67.20 | (17.72) | -26.37% |
| Lease Liability | 17.37 | 15.43 | 1.94 | 12.57% |
| Due to related parties | 384.10 | 358.06 | 26.04 | 7.27% |
| Income Tax Payable | 50.58 | 68.58 | (18.00) | -26.25% |
| Other current liabilities | 73.85 | 68.16 | 5.69 | 8.35% |
| **Total Current Liabilities** | **18,311.60** | **10,768.82** | **7,542.78** | **70.04%** |
| Noncurrent portion of: | | | | |
| Long-term debt | 6,500.34 | 8,813.86 | (2,313.52) | -26.25% |
| Bonds Payable | 5,877.44 | 5,917.25 | (39.81) | -0.67% |
| Liability from purchased land | - | 63.78 | (63.78) | -100.00% |
| Lease Liability | 16.83 | 12.30 | 4.53 | 36.83% |
| Pension liabilities | 290.15 | 231.19 | 58.96 | 25.50% |
| Deferred tax liabilities | 2,458.74 | 2,542.14 | (83.40) | -3.28% |
| Other noncurrent liabilities | 1,625.98 | 1,789.21 | (163.23) | -9.12% |
| **Total Noncurrent Liabilities** | **16,769.48** | **19,369.74** | **(2,600.25)** | **-13.42%** |
| **Total Liabilities** | **35,081.08** | **30,138.56** | **4,942.53** | **16.40%** |
| **EQUITY** | | | | |
| Capital stock | 6,200.85 | 6,200.85 | - | 0.00% |
| Preferred shares | 15.90 | 15.90 | - | 0.00% |
| Additional paid-in capital | 5,524.78 | 5,524.78 | - | 0.00% |
| Treasury shares | (3,109.67) | (109.67) | (3,000.00) | 2,735.48% |
| Other components of equity | 28.16 | (683.20) | 711.36 | -104.12% |
| Retained earnings | 11,594.25 | 10,514.10 | 1,080.15 | 10.27% |
| Remeasurement loss on defined benefit plan | (4.11) | 17.44 | (21.55) | -123.57% |
| Total Equity Attributable to Equity Holders of the Parent Company | **20,250.16** | **21,484.72** | (1,230.04) | -5.73% |

| | | | | |
|---|---|---|---|---|
| Non-controlling interest | **54.18** | **2,312.34** | (2,258.16) | -97.66% |
| | **20,304.34** | **23,792.54** | (3,488.20) | -14.66% |
| | **₱55,385.42** | **₱53,931.10** | 1,454.33 | 2.70% |

**14.22% decrease in cash and cash equivalents**
The decrease is primarily due to repayment of debt during the year.

**50.37% decrease in short-term investments**
During the year the Group decreased the placement on money market exceeding three (3) months but less than one (1) year.

**19.70% increase in total current receivables and noncurrent portion of installment contract receivables**
The increase is due to higher sales take up and revenue recognition during the period, resulting from strong performance of the group's first home business segment.

**9.79% increase in real estate inventories**
The increase is primarily due to acquisition of raw land of first home projects amounting to P1.71 billion and reclassification of certain portion of hotel rooms from properties and equipment to real estate inventories.

**60.59% increase in due from related parties**
Increase is due to normal advances made to related parties which are done in arms-length terms and conditions.

**5.04% decrease in advances to suppliers.**
The decrease is due to recoupment through progress billings of completed projects.

**5.49% decrease in total other current and non-current assets**
The decrease is primarily due to the decrease in prepaid commissions net of increase creditable withholding taxes and input taxes.

**20.77% decrease in deposit for purchased land**
The increase is due to the application as partial payment the deposit made for land purcahse.

**44.74% decrease in property and equipment**
The decrease is substantially due to reclassification of portion of hotel rooms from property and equipment to real estate inventories for sale.

**45.66% increase in deferred tax assets**
The increase is due to higher future deductible amounts during the year.

**24.52% increase in accounts and other payables**
The increase is primarily due to accruals made at the end of the period and increase in inventory related purchases.

**39.87% increase in contract liabilities**
The increase is attributable to collections from customers booked as liability pending satisfaction of criteria for revenue recognition.

**50.03% increase in total current and noncurrent bonds payable**
The increase was due to issuance of bond in March 2023.

**62.22% decrease in total current and noncurrent liabilities from purchased land**
Decrease was due to payments made during the period.

**23.33% increase in total current and non-current lease liability**
This pertains to the additional accrued lease liability on existing lease contracts in accordance with PFRS 16.

**7.27% increase in due to related parties**
The increase is due to additional purchases from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/ payable on demand.

**26.25% decrease in income tax payable**
Due primarily to lower taxable income during the period.

**25.50% increase in pension liabilities**
This is due to additional retirement expenses during the year.

**8.48% decrease in total of other current and noncurrent liabilities**
The decrease is mostly attributable to the decrease in security deposits.

**14.66% decrease in total stockholders' equity**
The decrease was mainly due to redemption of preferred shares, declaration of dividends, and acquisition of the shares of the minority of Mitsubishi Corporation in the group's first home business segment.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no events that will trigger a direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material commitments for capital expenditures.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

The top five (5) key performance indicators of the Company are shown below:

| Key Performance Indicators | 31-Dec-23 | 31-Dec-22 |
|---|---|---|
| Current Ratios (a) | 2.1x | 3.4x |
| Debt to Equity (b) | 1.0x | 0.7x |
| Debt to EBITDA (c) | 5.9x | 6.9x |
| Return on Assets (d) | 3.4% | 2.6% |
| Return on Equity (e) | 8.4% | 6.1% |

*Notes:*

1) *Current ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.*
2) *Debt to Equity ratio computed by dividing total interest-bearing debt (includes short-term and long-term debts and bonds payable) by total equity.*
3) *Debt to EBITDA is calculated by dividing EBITDA for the period by total interest-bearing debt.*
4) *Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two).*
5) *Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two).*

Current ratio decreased mainly due to the inclusion in current liabilities computation, the bonds maturing in the first quarter of the following year, which bond was previously classified as long-term debt.

Debt to equity increased due to lower amount of equity resulting from redemption of preferred shares and acquisition of non-controlling interest on the one hand, and issuance of bonds on the other hand.

Debt to EBITDA decreased primarily due to higher EBITDA in 2023.

Return on Assets and Return on Equity increased due to higher net income recognized during the period ended 31 December 2023 compared to the same period ended 31 December 2022.

| Financial ratios | 31-Dec-23 (Audit) | 31-Dec-22 (Audit) |
|---|---|---|
| **Liquidity Analysis Ratios** | | |
| Current Assets | 37,948,003,525 | 36,103,684,078 |
| Current Liabilities | 18,311,592,815 | 10,768,820,128 |
| **Current Ratio** | **2.1** | **3.4** |
| | | |
| Current Assets | 37,948,003,525 | 36,103,684,078 |
| Inventory | 18,832,235,203 | 17,723,397,564 |
| Quick Assets | 19,115,768,322 | 18,380,286,514 |
| Current Liabilities | 18,311,592,815 | 10,768,820,128 |
| **Quick Ratio** | **1.0** | **1.7** |
| | | |
| Total Assets | 55,385,411,059 | 53,931,100,448 |
| Total Liabilities | 35,081,072,630 | 30,138,558,574 |
| **Solvency Ratio** | **1.6** | **1.8** |
| | | |
| **Financial Leverage Ratios** | | |
| Debt | 20,021,335,207 | 17,158,710,775 |
| Total Assets | 55,385,411,059 | 53,931,100,448 |
| **Debt Ratio** | **0.4** | **0.3** |
| | | |
| Short-term debt | 791,664,471 | 235,141,310 |
| Long-term debt - Current | 3,851,897,104 | 2,192,453,618 |
| Long-term debt - Non-current | 6,500,336,528 | 8,813,861,924 |
| Bonds payable | 8,877,437,104 | 5,917,253,923 |
| **Debt** | **20,021,335,207** | **17,158,710,775** |
| **Equity** | **20,304,338,429** | **23,792,541,874** |
| **Debt-to-Equity** | **1.0** | **0.7** |
| | | |
| Debt | 20,021,335,207 | 17,158,710,775 |
| Cash and Cash Equivalents | 3,543,351,959 | 4,130,877,582 |
| **Net Debt** | **16,477,983,248** | **13,027,833,193** |
| **Equity** | **20,304,338,429** | **23,792,541,874** |
| **Net Debt-to-Equity** | **0.8** | **0.5** |
| | | |
| Debt | 20,021,335,207 | 17,158,710,775 |
| EBITDA | 3,367,875,390 | 2,475,710,475 |
| **Debt-to-EBITDA** | **5.9** | **6.9** |
| Income before Income Tax | 2,196,835,692 | 1,623,732,848 |
| Interest expense | 1,089,163,808 | 795,984,164 |
| Depreciation and amortization | 81,875,890 | 55,993,463 |
| **EBITDA** | **3,367,875,390** | **2,475,710,475** |
| | | |
| Income before Income Tax | 2,196,835,692 | 1,623,732,848 |
| Interest expense | 1,089,163,808 | 795,984,164 |
| **EBIT** | **3,285,999,500** | **2,419,717,012** |
| Interest expense | 1,089,163,808 | 795,984,164 |
| **Interest Coverage Ratio** | **3.0** | **3.0** |
| | | |
| **Asset to Equity Ratios** | | |
| Total Assets | 55,385,411,059 | 53,931,100,448 |
| Total Equity | 20,304,338,429 | 23,792,541,874 |
| **Asset to Equity Ratio** | **2.7** | **2.3** |
| | | |
| **Liabilities to Equity Ratios** | | |
| Total Liabilities | 35,081,072,630 | 30,138,558,574 |
| Total Equity | 20,304,338,429 | 23,792,541,874 |
| **Liabilities to Equity Ratio** | **1.7** | **1.3** |

| Financial ratios | 31-Dec-23 (Audit) | 31-Dec-22 (Audit) |
|---|---|---|
| **Profitability ratios** | | |
| Revenue | 12,701,416,652 | 11,126,646,235 |
| Gross Profit | 5,929,314,100 | 4,810,221,057 |
| **Gross Profit Ratio** | **47%** | **43%** |
| | | |
| Net Income | 1,854,643,359 | 1,404,759,079 |
| Revenue | 12,701,416,652 | 11,126,646,235 |
| **Net Income after Tax Margin** | **14.6%** | **12.6%** |
| | | |
| **Total Net Income after tax** | **1,854,643,359** | **1,404,759,079** |
| Total Asset CY | 55,385,411,059 | 53,931,100,448 |
| Total Asset PY | 53,931,100,448 | 54,506,509,548 |
| **Average total asset** | **54,658,255,754** | **54,218,804,998** |
| **Return on Asset** | **3.4%** | **2.6%** |
| | | |
| **Total Net Income after tax** | **1,854,643,359** | **1,404,759,079** |
| Total Equity CY | 20,304,338,429 | 23,792,541,874 |
| Total Equity PY | 23,792,541,874 | 22,350,664,641 |
| **Average total equity** | **22,048,440,152** | **23,071,603,258** |
| **Return on Equity** | **8.4%** | **6.1%** |
| | | |
| **Price/Earnings Ratio** | | |
| Price Per Share | 0.280 | 0.385 |
| Earnings Per Common Share | 0.105 | 0.060 |
| **Price/Earnings Ratio** | **2.667** | **6.417** |

**Results of Operations and Material Changes to the Company's Income Statement for the year ended December 31, 2022 compared to December 31, 2021 (increase/decrease of 5% or more)**
***(In Millions of Peso)***

| | | | Movement | |
|---|---|---|---|---|
| | **2022** | **2021** | **Amount** | **%** |
| **REVENUE** | | | | |
| Real estate revenue | ₱ 9,231.48 | ₱7,664.40 | ₱1,567.08 | 20.45% |
| Leasing revenue | 1,362.47 | 1,200.37 | 162.11 | 13.50% |
| Property management fee and other services | 423.37 | 400.01 | 23.36 | 5.84% |
| Interest income from real estate sales | 109.32 | 180.12 | (70.80) | -39.31% |
| | **11,126.65** | **9,444.90** | **1,681.75** | **17.81%** |
| **COST AND EXPENSES** | | | | |
| Cost of real estate revenue | 5,607.26 | 4,808.42 | 798.84 | 16.61% |
| Cost of leasing | 440.82 | 352.04 | 88.77 | 25.22% |
| Cost of services | 268.35 | 272.73 | (4.38) | -1.61% |
| | **6,316.43** | **5,433.19** | **883.23** | **16.26%** |
| **GROSS PROFIT** | **4,810.22** | **4,011.70** | **798.52** | **19.90%** |
| **GENERAL, ADMINISTRATIVE AND SELLING EXPENSES** | **2,771.10** | **2,692.91** | **78.19** | **2.90%** |
| **OTHER INCOME (EXPENSES)** | | | | |
| Interest and other income | 469.28 | 397.55 | 71.73 | 18.04% |
| Gain from change in fair values of investment properties | 28.25 | 225.50 | (196.75) | -87.45% |
| Income from investment in associate | 3.92 | 8.94 | (5.08) | -56.47% |
| Foreign exchange gain (loss) | 1.06 | 3.21 | (1.94) | -64.64% |
| Interest and other financing charges | (917.89) | (894.59) | (23.30) | 2.60% |
| | **(415.39)** | **(259.39)** | **(155.35)** | **59.74%** |
| **INCOME BEFORE INCOME TAX** | **1,623.73** | **1,059.41** | **564.98** | **53.36%** |
| **PROVISION FOR INCOME TAX** | **218.97** | **(209.70)** | **428.67** | **-204.42%** |
| **NET INCOME** | **₱1,404.76** | **₱1,269.11** | **₱136.30** | **10.75%** |

**20.45% increase in real estate revenue**
The increase in real estate revenue is mostly due to increase in sales take up, collections and construction activities of affordable housing projects during the period.

**13.50% increase in leasing revenue**
The increase was mainly due to increase in the number of tenants during the period.

**5.84% increase in property management fee and other services**
The increase is primarily due to increase in management fee and service rates for property managed.

**39.41% decrease in interest income from real estate sales**
Interest income from real estate sales represents interest accretion from installment contract receivables (ICR) and contract asset recognized during the year. Discount subject to accretion arises from the difference between present value of ICR and contract asset and its nominal value. Income decreased since majority of the projects are already turned over.

**16.61% increase in cost of sales**
The increase is mainly due to increase real estate revenues.

**25.22% increase in cost of leasing**
The increase is directly attributable to higher leasing revenues.

**18.04% increase in interest and other income**
The increase is mainly attributable to the increase in interest income from cash in banks, money market placements and short-term investments and increase in forfeited collection or cancelled buyers discount.

**87.45% decrease in gain from fair value of investment property**
The decrease is mainly attributable to lower incremental fair value appreciation of Century Diamond Tower in 2022 compared to the same period in 2021.

**56.47% decrease in share in net income from its associate**
The decrease is due to lower reported income of some associates.

**204.42% increase in provision for income tax**
The increase was primarily due to higher taxable income during the period and impact of change in corporate income tax rate as a result of CREATE Law in 2021.

**As a result of the foregoing, net income increased by 10.75%**

## Financial Condition and Material Changes to the Company's Income Statement for the year ended December 31, 2022 compared to December 31, 2021 (increase/decrease of 5% or more)

***(In Millions of Pesos)***

| | | | Movement | |
|---|---|---|---|---|
| | **2022** | **2021** | **Amount** | **%** |
| **ASSETS** | | | | |
| Cash and cash equivalents | ₱ 4,130.88 | ₱3,693.08 | 437.80 | 11.85% |
| Short-term investments | 36.79 | 1,032.51 | (995.73) | -96.44% |
| Receivables | 9,845.28 | 9,295.13 | 550.16 | 5.92% |
| Real estate inventories | 17,723.40 | 16,143.10 | 1,580.30 | 9.79% |
| Due from related parties | 975.32 | 526.96 | 448.36 | 85.08% |
| Advances to suppliers and contractors | 1,749.97 | 2,426.74 | (676.77) | -27.89% |
| Other current assets | 1,642.04 | 1,895.47 | (253.42) | -13.37% |
| **Total Current Assets** | **36,103.68** | **35,012.99** | **1,090.70** | **3.12%** |
| Noncurrent portion of installment contract receivables | 109.04 | 366.00 | (256.96) | -70.21% |
| Deposits for purchased land | 1,409.48 | 1,358.81 | 50.67 | 3.73% |
| Investments in and advances to joint ventures and associate | 275.37 | 274.50 | 0.86 | 0.31% |
| Investment properties | 12,394.98 | 13,995.03 | (1,043.23) | -7.76% |
| Property and equipment | 2,484.32 | 1,815.84 | 111.66 | 4.71% |
| Deferred tax assets – net | 33.20 | 26.76 | 6.44 | 24.06% |
| Other noncurrent assets | 1,121.02 | 1,656.58 | (535.55) | -32.33% |
| **Total Noncurrent Assets** | **17,827.42** | **19,493.52** | **(1,666.11)** | -8.55% |
| **TOTAL ASSETS** | **53,931.10** | **54,506.51** | **(575.41)** | -1.06% |
| **LIABILITIES** | | | | |
| Accounts and other payables | 4,994.69 | 5,251.10 | (256.41) | -4.88% |
| Contract liabilities | 2,769.10 | 3,048.61 | (279.51) | -9.17% |
| Short-term debt | 235.14 | 468.36 | (233.22) | -49.79% |
| Current portion of: | | | | |
| Long-term debt | 2,192.45 | 5,467.83 | (3,275.37) | -59.90% |
| Bonds Payable | - | 2,992.05 | (2,992.06) | -100.00% |
| Liability from purchased land | 67.20 | 67.20 | - | 0.00% |
| Lease Liability | 15.43 | 25.54 | (10.11) | -39.57% |
| Due to related parties | 358.06 | 317.36 | 40.70 | 12.83% |
| Income Tax Payable | 68.58 | 69.41 | (0.83) | -1.20% |
| Other current liabilities | 68.16 | 109.55 | (41.39) | -37.78% |
| **Total Current Liabilities** | **10,768.82** | **17,817.01** | **(7,048.20)** | **-39.56%** |
| Noncurrent portion of: | | | | |
| Long-term debt | 8,813.86 | 6,370.78 | 2,443.08 | 38.35% |
| Bonds Payable | 5,917.25 | 2,955.14 | 2,962.11 | 100.24% |
| Liability from purchased land | 63.78 | 141.14 | (77.36) | -54.81% |
| Lease Liability | 12.30 | 31.60 | (19.30) | -61.08% |
| Pension liabilities | 231.19 | 279.63 | (48.44) | -17.32% |
| Deferred tax liabilities | 2,542.14 | 2,647.91 | (105.76) | -3.99% |
| Other noncurrent liabilities | 1,789.21 | 1,912.63 | (123.42) | -6.45% |
| **Total Noncurrent Liabilities** | **19,369.74** | **14,338.83** | **5,030.91** | **35.09%** |
| **Total Liabilities** | **30,138.56** | **32,155.84** | **(2,017.29)** | **-6.27%** |
| **EQUITY** | | | | |
| Capital stock | 6,200.85 | 6,200.85 | - | 0.00% |
| Preferred shares | 15.90 | 15.90 | - | 0.00% |
| Additional paid-in capital | 5,524.78 | 5,524.78 | - | 0.00% |
| Treasury shares | (109.67) | (109.67) | - | 0.00% |
| Other components of equity | (683.20) | (683.20) | - | 0.00% |
| Retained earnings | 10,514.10 | 9,814.34 | 699.76 | 7.13% |
| Remeasurement loss on defined benefit plan | 17.44 | (42.50) | 59.95 | -141.03% |
| Total Equity Attributable to Equity Holders of the Parent Company | **21,484.72** | 20,720.50 | 759.71 | 3.67% |

| | | | | |
|---|---|---|---|---|
| Non-controlling interest | **2,312.34** | 1,630.17 | 682.17 | 41.85% |
| | **23,792.54** | **22,350.67** | 1,441.88 | 6.45% |
| | **₱53,931.10** | **₱54,506.51** | (575.41) | -1.06% |

**11.85% increase in cash and cash equivalents**
Increase is primarily due to cash sales and collection from matured accounts and maturity of short-term investments.

**96.44% decrease in short-term investments**
During the year the Group decreased the placement on money market exceeding three (3) months but less than one (1) year.

**3.03% decrease in total receivables and noncurrent portion of installment contract receivables**
The decrease is primarily due to collections of maturing accounts.

**9.79% increase in real estate inventories**
The increase is primarily due to acquisition of raw land of affordable housing projects amounting to P1.75 billion and reclassification of certain retail office from investment properties to real estate inventories.

**85.08% increase in due from related parties**
Due to additional advances from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

**27.89% decrease in advances to suppliers.**
The decrease is due to recoupment through progress billings from completion of Century Spire and The Residences at Commonwealth Quezon South

**7.76% decrease in investment properties**
The decrease is due to reclassification of certain retail office from investment properties to inventories due to change management intent from leasing to selling of these units.

**24.06% increase in deferred tax assets**
The increase is due to additional deferred tax assets recognized during the year.

**22.21% decrease in total other current and non-current assets**
The decrease is due to amortization of deferred selling expenses and recognition of advances to land owner to real estate inventories.

**4.88% decrease in accounts and other payables**
The decrease is due to payments of payable for the period.

**9.17% decrease in total contract liabilities**
The decrease is due to recognition of customers deposits as revenue during the period as the accounts
meet the accounting criteria for revenue recognition.

**8.66% decrease in total short-term and long-term debt**

The decrease is attributable to payments made by the Group during the year.

**37.13% decrease in total current and non-current liabilities from purchased land**
Due to payments made during the year.

**51.47% decrease in total current and non-current lease liability**
The decrease is due to retirement of lease liability in relation to office spaces the Group no longer occupies.

**12.83% increase in due to related parties**
The increase is due to additional purchases from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

**8.15% decrease in total of other current and noncurrent liabilities**
The decrease is mostly attributable to recognition of deferred lease income during the year and recognition of equity portion of deposit from preferred shares of CALC.

**17.32% decrease in pension liabilities**
The decrease is attributable to benefits paid during the year and remeasurement gain on defined benefit plan recognized during the year.

**6.45% increase in total stockholders' equity**
This is due to the net income recorded for the year ended December 31, 2022, recognition of equity portion from deposit from preferred shares of CALC, additional investment from Mitsubishi Corporation interest amounting to ₱320 million net of dividend declarations and remeasurement gain recognized during the year.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material commitments for capital expenditures.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations apart from the impact of ongoing Covid-19 pandemic.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

The top five (5) key performance indicators of the Company are shown below:

| Key Performance Indicators | 31-Dec-22 | 31-Dec-21 |
|---|---|---|
| Current Ratios (a) | 3.4x | 2.0x |
| Debt to Equity (b) | 0.7x | 0.8x |
| Debt to EBITDA (c) | 6.9x | 9.5x |
| Return on Assets (d) | 2.6% | 2.4% |
| Return on Equity (e) | 6.1% | 5.8% |

*Notes:*

6) *Current ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.*
7) *Debt to Equity ratio computed by dividing total interest-bearing debt (includes short-term and long-term debts and bonds payable) by total equity.*
8) *Debt to EBITDA is calculated by dividing EBITDA for the period by total interest-bearing debt.*
9) *Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two).*
10) *Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two).*

Current ratio increase as a result of the decline in current liabilities, primarily as a result of payment of bond during the year.

Debt to equity decreased as a result of the decline in debt from the long-term debt while total equity increased due to the net income as of December 31, 2022 and additional investment from minority interest compared to the same period as of December 31, 2021.

Debt to EBITDA decreased primarily due to the increase in EBITDA as of December 31, 2022 compared to the same period as of December 30, 2021.

Return on Assets and Return on Equity increased due to higher net income recognized during the period ended December 31, 2022 compared to the same period ended December 31, 2021.

| Financial ratios | December 31, 2022 | December 31, 2021 |
|---|---|---|
| **Liquidity Analysis Ratios** | | |
| Current Assets | 36,103,684,078 | 35,012,984,828 |
| Current Liabilities | 10,768,820,128 | 17,817,016,575 |
| **Current Ratios** | **3.4** | **2.0** |
| | | |
| Current Assets | 36,103,684,078 | 35,012,984,828 |
| Inventory | 17,723,397,564 | 16,143,099,068 |
| Quick Assets | 18,380,286,514 | 18,869,885,760 |
| Current Liabilities | 10,768,820,128 | 17,817,016,575 |
| **Quick Ratios** | **1.7** | **1.1** |
| | | |
| **Solvency Ratio** | | |
| Total Assets | 53,931,100,448 | 54,506,509,548 |
| Total Liabilities | 30,138,558,574 | 32,155,844,907 |
| **Solvency Ratio** | **1.8** | **1.7** |
| | | |
| **Financial Leverage Ratios** | | |
| Debt | 17,158,710,775 | 18,254,162,862 |
| Total Assets | 53,931,100,448 | 54,506,509,548 |
| **Debt Ratio** | **0.3** | **0.3** |
| | | |
| Short-term debt | 235,141,310 | 468,360,083 |
| Long-term debt - Current | 2,192,453,618 | 5,467,828,327 |
| Long-term debt - Non-current | 8,813,861,924 | 6,370,779,023 |
| Bonds payable | 5,917,253,923 | 5,947,195,429 |
| **Debt** | **17,158,710,775** | **18,254,162,862** |
| **Equity** | **23,792,541,874** | **22,350,664,641** |
| **Debt-to-Equity** | **0.7** | **0.8** |
| | | |
| Debt | 17,158,710,775 | 18,254,162,862 |
| Cash and Cash Equivalents | 4,130,877,582 | 3,693,074,161 |
| **Net Debt** | **13,027,833,193** | **14,561,088,701** |
| **Equity** | **23,792,541,874** | **22,350,664,641** |
| **Net Debt-to-Equity** | **0.5** | **0.7** |
| | | |
| Income befor Income Tax | 1,623,732,848 | 1,059,406,284 |
| Interest expense | 795,984,164 | 795,147,267 |
| Depreciation and amortization | 55,993,463 | 67,580,015 |
| **EBITDA** | **2,475,710,475** | **1,922,133,566** |
| | | |
| Debt | 17,158,710,775 | 18,254,162,862 |
| EBITDA | 2,475,710,475 | 1,922,133,566 |
| **Debt-to-EBITDA** | **6.9** | **9.5** |
| | | |
| Income befor Income Tax | 1,623,732,848 | 1,059,406,284 |
| Interest expense | 795,984,164 | 795,147,267 |
| **EBIT** | **2,419,717,012** | **1,854,553,551** |
| Interest expense | 795,984,164 | 795,147,267 |
| **Interest coverage ratio** | **3.0** | **2.3** |
| | | |
| **Asset to Equity Ratios** | | |
| Total Assets | 53,931,100,448 | 54,506,509,548 |
| Total Equity | 23,792,541,874 | 22,350,664,641 |
| **Asset to Equity Ratio** | **2.3** | **2.4** |
| | | |
| **Liabilities to Equity Ratios** | | |
| Total Liabilities | 30,138,558,574 | 32,155,844,907 |
| Total Equity | 23,792,541,874 | 22,350,664,641 |
| **Liabilities to Equity Ratio** | **1.3** | **1.4** |

| Financial ratios | December 31, 2022 | December 31, 2021 |
|---|---|---|
| **Profitability ratios** | | |
| Revenue | 11,126,646,235 | 9,444,895,630 |
| Gross Profit | 4,810,221,057 | 4,011,702,937 |
| **Gross Profit Ratio** | **43%** | **42%** |
| | | |
| Net Income | 1,404,759,079 | 1,269,106,148 |
| Revenue | 11,126,646,235 | 9,444,895,630 |
| **Net Income Margin** | **12.6%** | **13.4%** |
| | | |
| **Total Net Income after tax** | **1,404,759,079** | **1,269,106,148** |
| Total Asset CY | 53,931,100,448 | 54,506,509,548 |
| Total Asset PY | 54,506,509,548 | 53,008,903,420 |
| **Average total asset** | **54,218,804,998** | **53,757,706,484** |
| **Return on Asset** | **2.6%** | **2.4%** |
| | | |
| **Total Net Income after tax** | **1,404,759,079** | **1,269,106,148** |
| Total Equity CY | 23,792,541,874 | 22,350,664,641 |
| Total Equity PY | 22,350,664,641 | 21,131,273,660 |
| **Average total equity** | **23,071,603,258** | **21,740,969,151** |
| **Return on Equity** | **6.1%** | **5.8%** |
| | | |
| **Price/Earnings Ratio** | | |
| Price Per Share | 0.385 | 0.400 |
| Earnings Per Share | 0.060 | 0.065 |
| **Price/Earnings Ratio** | **6.382** | **6.193** |

**Results of Operations and Material Changes to the Company's Income Statement for the year ended December 31, 2021 compared to December 31, 2020 (increase/decrease of 5% or more)**
***(In Millions of Peso)***

| | | | Movement | |
|---|---|---|---|---|
| | **2021** | **2020** | **Amount** | **%** |
| **REVENUE** | | | | |
| Real estate revenue | ₱7,664.40 | ₱9,482.62 | (₱1,818.22) | -19.17% |
| Leasing revenue | 1,200.37 | 795.03 | 405.34 | 50.98% |
| Property management fee and other services | 400.01 | 389.72 | 10.29 | 2.64% |
| Interest income from real estate sales | 180.12 | 168.37 | 11.75 | 6.98% |
| | **9,444.90** | **10,835.74** | **(1,390.85)** | **-12.84%** |
| **COST AND EXPENSES** | | | | |
| Cost of real estate revenue | 4,808.42 | 6,082.95 | (1,274.53) | -20.95% |
| Cost of leasing | 352.04 | 226.53 | 125.51 | 55.40% |
| Cost of services | 272.73 | 285.99 | (13.26) | -4.64% |
| | **5,433.19** | **6,595.47** | **(1,162.28)** | **-17.62%** |
| **GROSS PROFIT** | **4,011.70** | **4,240.28** | **(228.57)** | **-5.39%** |
| **GENERAL, ADMINISTRATIVE AND SELLING EXPENSES** | **2,692.91** | **2,863.71** | **(170.80)** | **-5.96%** |
| **OTHER INCOME (EXPENSES)** | | | | |
| Interest and other income | 397.55 | 568.07 | (170.52) | -30.02% |
| Gain from change in fair values of investment properties | 225.50 | 558.62 | (333.12) | -59.63% |
| Income from investment in associate | 8.94 | 6.79 | 2.15 | 31.69% |
| Foreign exchange gain (loss) | 3.21 | 2.07 | 1.14 | 55.07% |
| Interest and other financing charges | (894.59) | (947.51) | 52.92 | -5.58% |
| | **(259.39)** | **188.04** | **(447.43)** | **-237.94%** |
| **INCOME BEFORE INCOME TAX** | **1,059.41** | **1,564.60** | **(505.20)** | **-32.29%** |
| **PROVISION FOR INCOME TAX** | **(209.70)** | **415.37** | **(625.07)** | **-150.48%** |
| **NET INCOME** | **₱1,269.11** | **₱1,149.23** | **₱119.87** | **10.43%** |

In 2021, persistent lockdowns imposed by the government slowed down the sales take-up, collections, construction activities and project launches, as a continuing effect of the pandemic. This mostly affected in city vertical condominium projects of the Group, resulting to a 19% decline in total real estate sales.

However, affordable housing projects, which are located outside Metro Manila, continue to improve its revenue contribution from P2.2B in 2020 to P3.91B in 2021. This is a result of the initial recognition of real estate sales revenues from newly launched projects of affordable housing projects in 2021 off-setting such decline.

The increase in leasing revenue is a result of the rentals from the Century Diamond Tower, contributing full year rental in 2021 against its initial rental contribution in 2020, its year of completion. While mall operations declined, the impact on the leasing portfolio is not significant as its contribution is marginal to the total revenue of the Company prior to the COVID-19 pandemic.

**19.17% decrease in real estate revenue**
Real estate revenue has decreased as a result of the slowdown both in sales conversion, construction and development activities and project launches due to prevailing community quarantine restrictions, primarily from in city vertical housing projects.

**50.98% increase in leasing revenue**
The increase was mainly due to the full year lease revenue recognition of Century Diamond Tower and Asian Century Center.

**6.98% increase in interest income from real estate sales**
Interest income from real estate sales represents interest accretion from installment contract receivables (ICR) and contract asset recognized during the year. Discount subject to accretion arises from the difference between present value of ICR and contract asset and its nominal value. Income slightly increased from the sale of units still in progress in 2021.

**20.95% decrease in cost of sales**
The decrease is mainly due to lower real estate revenues.

**55.40% increase in cost of leasing**
The increase is directly attributable to higher leasing revenues.
.
**5.96% decrease in general, administrative and selling expenses**
The decrease is a result of further rationalization of operations efficiencies during the year.

**30.02% decrease in interest and other income**
The decrease is primarily attributable to lower level of income from forfeited collections or cancelled buyers' accounts.

**31.69% increase in share in net income from its associate**
The increase is due to higher reported income of some associates.

**59.63% decrease in gain from fair value of investment property**
The decrease was mainly due to lower incremental fair value appreciation of Century Diamond Tower in 2021 compared to 2020, the year when initial recognition of fair value gain was recognized.

**5.58% decrease in interest and other financing charges**
The decrease was mainly due to lower borrowing rates and outstanding interest-bearing debts in 2021 compared with 2020.

**150.48% decrease in Provision for Income Tax**
The decrease was primarily due to lower taxable income during the period and impact of change in corporate income tax rate as a result of CREATE Law.

**As a result of the foregoing, net income increased by 10.43%.**

## Financial Condition and Material Changes to the Company's Income Statement for the year ended December 31, 2021 compared to December 31, 2020 (increase/decrease of 5% or more)

***(In Millions of Peso)***

| | | | Movement | |
|---|---|---|---|---|
| | **2021** | **2020** | **Amount** | **%** |
| **ASSETS** | | | | |
| Cash and cash equivalents | ₱3,693.07 | ₱2,473.56 | (₱1,219.51) | 49.30% |
| Short-term investments | 1,032.51 | 285.24 | 747.27 | 261.98% |
| Receivables | 9,295.13 | 11,491.05 | (2,195.92) | -19.11% |
| Real estate inventories | 16,143.10 | 14,651.33 | 1,491.77 | 10.18% |
| Due from related parties | 526.96 | 464.42 | 62.54 | 13.47% |
| Advances to suppliers and contractors | 2,426.74 | 2,427.70 | (0.96) | -0.04% |
| Investment in bonds | - | 463.75 | (463.75) | -100.00% |
| Other current assets | 1,895.46 | 1,809.89 | 85.57 | 4.73% |
| **Total Current Assets** | **35,012.97** | **34,066.94** | **946.03** | **2.78%** |
| Noncurrent portion of installment contract receivables | 366.00 | 124.78 | 241.22 | 193.32% |
| Deposits for purchased land | 1,358.81 | 1,354.24 | 4.57 | 0.34% |
| Investments in and advances to joint ventures and associate | 274.50 | 265.56 | 8.94 | 3.37% |
| Investment properties | 13,995.04 | 13,627.59 | 367.45 | 2.70% |
| Property and equipment | 1,815.84 | 1,783.59 | 32.25 | 1.81% |
| Deferred tax assets – net | 26.76 | 86.28 | (59.52) | -68.98% |
| Other noncurrent assets | 1,656.58 | 1,699.92 | (43.34) | -2.55% |
| **Total Noncurrent Assets** | **19,493.53** | **18,941.96** | **551.57** | **2.91%** |
| **TOTAL ASSETS** | **54,506.50** | **53,008.90** | **1,497.60** | **2.83%** |
| **LIABILITIES** | | | | |
| Accounts and other payables | 5,251.09 | 5,591.63 | (340.54) | -6.09% |
| Contract liabilities | 3,048.61 | 1,457.78 | 1,590.83 | 109.13% |
| Short-term debt | 468.36 | 811.95 | (343.59) | -42.32% |
| Current portion of: | | | | |
| Long-term debt | 5,467.83 | 5,447.30 | 20.53 | 0.38% |
| Bonds Payable | 2,992.06 | 118.78 | 2,873.28 | 2,418.98% |
| Liability from purchased land | 67.20 | 67.20 | - | 0.00% |
| Lease Liability | 25.53 | 4.52 | 21.01 | 464.82% |
| Due to related parties | 317.36 | 270.01 | 47.35 | 17.54% |
| Income Tax Payable | 69.41 | 61.50 | 7.91 | 12.86% |
| Other current liabilities | 109.55 | 352.67 | (243.12) | -68.94% |
| **Total Current Liabilities** | **17,817.00** | **14,183.34** | **3,633.66** | **25.62%** |
| Noncurrent portion of: | | | | |
| Long-term debt | 6,370.78 | 9,408.87 | (3,038.09) | -32.29% |
| Bonds Payable | 2,955.14 | 2,965.99 | (10.85) | -0.37% |
| Liability from purchased land | 141.14 | 208.33 | (67.19) | -32.25% |
| Lease Liability | 31.60 | - | 31.60 | 100.00% |
| Pension liabilities | 279.63 | 372.99 | (93.36) | -25.03% |
| Deferred tax liabilities | 2,647.91 | 2,951.53 | (303.62) | -10.29% |
| Other noncurrent liabilities | 1,912.63 | 1,786.57 | 126.07 | 7.06% |
| **Total Noncurrent Liabilities** | **14,338.83** | **17,694.28** | **(3,355.45)** | **-18.96%** |
| **Total Liabilities** | **32,155.83** | **31,877.62** | **278.21** | **0.87%** |
| **EQUITY** | | | | |
| Capital stock | 6,200.85 | 6,200.85 | - | 0.00% |
| Preferred shares | 15.90 | 15.90 | - | 0.00% |
| Additional paid-in capital | 5,524.78 | 5,524.78 | - | 0.00% |
| Treasury shares | (109.67) | (109.67) | - | 0.00% |
| Other components of equity | (683.20) | (682.85) | (0.35) | 0.05% |
| Retained earnings | 9,814.34 | 9,028.95 | 785.39 | 8.70% |
| Remeasurement loss on defined benefit plan | (42.50) | (118.50) | 76.00 | -64.14% |
| Total Equity Attributable to Equity Holders | 20,720.50 | 19,859.46 | 861.04 | 4.34% |

| | | | | |
|---|---|---|---|---|
| of the Parent Company | | | | |
| Non-controlling interest | 1,630.17 | 1,271.82 | 358.35 | 28.18% |
| | **22,350.67** | **21,131.28** | **1,219.39** | **5.77%** |
| | **₱54,506.50** | **₱53,008.90** | **₱1,497.60** | **2.83%** |

**49.30% increase in cash and cash equivalents**
Increase is primarily due to cash sales and collection from matured accounts.

**261.98% increase in short-term investments**
The increase is primarily due to additional short-term money market placements more than 3 months.

**16.83% decrease in total receivables and noncurrent portion of installment contract receivables**
The decrease is primarily due to collections of maturing accounts.

**10.18% increase in real estate inventories**
The increase is primarily due to acquisition of raw land of affordable housing projects amounting to P1.58 billion.

**13.47% increase in due from related parties**
Due to additional advances from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

**6.09% decrease in accounts and other payables**
Decrease was due to payments made to contractors and suppliers and lower accrued expenses for the period as in-city vertical projects are nearing completion.

**109.13% increase in total contract liabilities**
The increase is attributable to collections from customers booked as liability pending satisfaction of criteria for revenue recognition.

**21.45% decrease in total short-term and long-term debt**
Decrease was due to repayment of loans and lower loan drawdowns.

**92.79% increase in total current and non-current bonds payable**
The increase is due to the newly issued ₱3 billion bond in March 2021.

**24.39% decrease in total current and non-current liabilities from purchased land**
Due to payments made during the year.

**1,163.94% increase in total current and non-current lease liability**
This pertains to the lease liability accrued from the lease contract entered by the Group as a lessee in accordance with PFRS 16.

**17.54% increase in due to related parties**
The increase is due to additional purchases from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

**12.86% increase in tax payable**
This is mostly attributable to the higher taxable income recognized during the year.

**5.47% decrease in total of other current and noncurrent liabilities**
The decrease is mostly attributable to recognition of advance rental during the year.

**25.03% decrease in pension liabilities**
The decrease is attributable to benefits paid during the year and remeasurement gain on defined benefit plan recognized during the year.

**10.29% decrease in deferred tax liabilities**
This is mostly attributable to the impact of the CREATE Law.

**5.77% increase in total stockholders' equity**
This is due to the net income recorded for the year ended December 31, 2021, additional investment from Mitsubishi Corporation interest amounting to ₱200 million net of dividend declarations and remeasurement gain recognized during the year.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material commitments for capital expenditures.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations apart from the impact of ongoing Covid-19 pandemic.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

The top five (5) key performance indicators of the Company are shown below:

| Key Performance Indicators | 31-Dec-21 | 31-Dec-20 |
|---|---|---|
| Current Ratios (a) | 2.0x | 2.4x |
| Debt to Equity (b) | 0.8x | 0.9x |
| Debt to EBITDA (c) | 9.5x | 7.8x |
| Return on Assets (d) | 2.4% | 2.2% |
| Return on Equity (e) | 5.8% | 5.6% |

*Notes:*

11) *Current ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.*
12) *Debt to Equity ratio computed by dividing total interest-bearing debt (includes short-term and long-term debts and bonds payable) by total equity.*
13) *Debt to EBITDA is calculated by dividing EBITDA for the period by total interest-bearing debt.*
14) *Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two).*
15) *Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two).*

Current ratio decreased mainly due to the increase in current liabilities, primarily as a result of in maturing of bonds payable and long-term debt.

Debt to equity decreased as a result of the decline in debt from the long-term debt while total equity increased due to the net income as of December 31, 2021 and additional investment from minority interest compared to the same period as of December 31, 2020.

Debt to EBITDA increased primarily due to the decline in EBITDA as of December 31, 2021 compared to the same period as of December 30, 2020.

Return on Assets and Return on Equity increased due to higher net income recognized during the period ended December 31, 2021 compared to the same period ended December 31, 2020.

| Financial ratios | 31-Dec-21 (Unaudited) | 31-Dec-20 (Unaudited) |
|---|---|---|
| **Liquidity Analysis Ratios** | | |
| Current Assets | 35,012,984,828 | 34,066,943,185 |
| Current Liabilities | 17,817,016,575 | 14,183,354,919 |
| **Current Ratio** | **2.0** | **2.4** |
| | | |
| Current Assets | 35,012,984,828 | 34,066,943,185 |
| Inventory | 16,143,099,068 | 14,651,328,952 |
| Quick Assets | 18,869,885,760 | 19,415,614,233 |
| Current Liabilities | 17,817,016,575 | 14,183,354,919 |
| **Quick Ratio** | **1.1** | **1.4** |
| | | |
| Total Assets | 54,506,509,548 | 53,008,903,420 |
| Total Liabilities | 32,155,844,907 | 31,877,629,760 |
| **Solvency Ratio** | **1.7** | **1.7** |
| | | |
| **Financial Leverage Ratios** | | |
| Debt | 18,254,162,862 | 18,752,890,687 |
| Total Assets | 54,506,509,548 | 53,008,903,420 |
| **Debt Ratio** | **0.3** | **0.4** |
| | | |
| Short-term debt | 468,360,083 | 811,948,735 |
| Long-term debt - Current | 5,467,828,327 | 5,447,303,305 |
| Long-term debt - Non-current | 6,370,779,023 | 9,408,872,360 |
| Bonds payable | 5,947,195,429 | 3,084,766,287 |
| **Debt** | **18,254,162,862** | **18,752,890,687** |
| **Equity** | **22,350,664,641** | **21,131,273,660** |
| **Debt-to-Equity** | **0.8** | **0.9** |
| | | |
| Debt | 18,254,162,862 | 18,752,890,687 |
| Cash and Cash Equivalents | 3,693,074,161 | 2,473,555,750 |
| **Net Debt** | **14,561,088,701** | **16,279,334,937** |
| **Equity** | **22,350,664,641** | **21,131,273,660** |
| **Net Debt-to-Equity** | **0.7** | **0.8** |
| | | |
| Debt | 18,254,162,862 | 18,752,890,687 |
| EBITDA | 1,922,133,566 | 2,408,094,098 |
| **Debt-to-EBITDA** | **9.5** | **7.8** |
| Income before Income Tax | 1,059,406,284 | 1,564,604,768 |
| Interest expense | 795,147,267 | 784,022,304 |
| Depreciation and amortization | 67,580,015 | 59,467,026 |
| **EBITDA** | **1922133566** | **2,408,094,098** |
| | | |
| Income before Income Tax | 1,059,406,284 | 1,564,604,768 |
| Interest expense | 795,147,267 | 784,022,304 |
| **EBIT** | **1,854,553,551** | **2,348,627,072** |
| Interest expense | 795,147,267 | 784,022,304 |
| **Interest Coverage Ratio** | **2.3** | **3.0** |
| | | |
| **Asset to Equity Ratios** | | |
| Total Assets | 54,506,509,548 | 53,008,903,420 |
| Total Equity | 22,350,664,641 | 21,131,273,660 |
| **Asset to Equity Ratio** | **2.4** | **2.5** |
| | | |
| **Liabilities to Equity Ratios** | | |
| Total Liabilities | 32,155,844,907 | 31,877,629,760 |
| Total Equity | 22,350,664,641 | 21,131,273,660 |
| **Liabilities to Equity Ratio** | **1.4** | **1.5** |

| Financial ratios | 31-Dec-21 (Unaudited) | 31-Dec-20 (Unaudited) |
|---|---|---|
| **Profitability ratios** | | |
| Revenue | 9,444,895,630 | 10,835,744,692 |
| Gross Profit | 4,011,702,937 | 4,240,276,075 |
| **Gross Profit Ratio** | **42%** | **39%** |
| | | |
| Net Income | 1,269,106,148 | 1,149,234,036 |
| Revenue | 9,444,895,630 | 10,835,744,692 |
| **Net Income after Tax Margin** | **13.4%** | **10.6%** |
| | | |
| **Total Net Income after tax** | **1,269,106,148** | **1,149,234,036** |
| Total Asset CY | 54,506,509,548 | 53,008,903,420 |
| Total Asset PY | 53,008,903,420 | 53,441,685,612 |
| **Average total asset** | **53,757,706,484** | **53,225,294,516** |
| **Return on Asset** | **2.4%** | **2.2%** |
| | | |
| **Total Net Income after tax** | **1,269,106,148** | **1,149,234,036** |
| Total Equity CY | 22,350,664,641 | 21,131,273,660 |
| Total Equity PY | 21,131,273,660 | 19,615,569,488 |
| **Average total equity** | **21,740,969,151** | **20,373,421,574** |
| **Return on Equity** | **5.8%** | **5.6%** |
| | | |
| **Price/Earnings Ratio** | | |
| Price Per Share | 0.400 | 0.450 |
| Earnings Per Share | 0.078 | 0.038 |
| **Price/Earnings Ratio** | **5.153** | **11.786** |

**Factors which may have material impact in Company's operations**

**Economic factors**

The economic situation in the Philippines significantly affects the performance of the Company's business. For the residential products, the Group is sensitive to changes in domestic interest and inflation rates. Higher interest rates tend to discourage potential buyers of residential units as mortgages become unaffordable to them. An inflationary environment will adversely affect the Group, as well as the real estate industry, by increases in costs such as land acquisition, labor and material. Although the Group may pass on the additional costs to buyers, there is no assurance that this will not significantly affect the Group's sales.

**Competition**

Please refer to the discussion on Competition found in Item 1.4 of this report.

**Capital Expenditures**

The table below sets out our actual capital expenditures in 2020, 2021, 2022 and 2023.

| | **Expenditure (in millions)** |
|---|---|
| 2020 | 6,231.6 |
| 2021 | 6,543.1 |
| 2022 | 5,841.7 |
| 2023 | 5,890.1 |

The Group has historically sourced funding for capital expenditures through internally generated funds and credit facilities from commercial banks.

The Company expects to fund budgeted capital expenditures principally through the existing cash and cash from operations, through borrowings and through Offering. The Company's capital expenditure plans are based on management's estimates, and are subject to a number of variables, including: possible cost overruns; construction and development delays; the receipt of Government approvals; availability of financing on acceptable terms; changes in management's views of the desirability of current plans; the identification of new projects and potential acquisitions; and macroeconomic factors such as the Philippines' economic performance and interest rates. Accordingly, we might not execute our capital expenditure plans as contemplated or at or below estimated cost.

***Results of Operations and Material Changes to the Company's Income Statement for the three-month period ended March 31, 2024 compared to March 30, 2023***
***(In Millions of Peso)***

| | | | Movement | |
|---|---|---|---|---|
| | **2024** | 2023 | **Amount** | **%** |
| **REVENUE** | | | | |
| Real estate revenue | **₱3,128.16** | ₱2,886.11 | **242.05** | **8.39%** |
| Leasing revenue | **291.19** | 312.43 | **(21.24)** | **-6.80%** |
| Property management fee, hotel and other services | **121.69** | 118.23 | **3.47** | **2.93%** |
| Interest income from real estate sales | **37.87** | 20.78 | **17.09** | **82.30%** |
| | **3,578.91** | 3,337.54 | **241.37** | **7.23%** |
| **COST AND EXPENSES** | | | | |
| Cost of real estate revenue | **1,809.79** | 1,702.15 | **107.64** | **6.32%** |
| Cost of leasing | **108.83** | 109.83 | **(1.00)** | **-0.91%** |
| Cost of services | **82.79** | 71.61 | **11.18** | **15.62%** |
| | **2,001.41** | 1,883.59 | **117.82** | **6.26%** |
| **GROSS PROFIT** | **1,577.50** | 1,453.94 | **123.55** | **8.50%** |
| **GENERAL, ADMINISTRATIVE AND SELLING EXPENSES** | **851.27** | 885.08 | **(33.81)** | **-3.82%** |
| **OTHER INCOME (EXPENSES)** | | | | |
| Interest and other income | **144.06** | 104.78 | **39.29** | **37.50%** |
| Interest and other financing charges | **(354.94)** | (273.48) | **(81.46)** | **29.79%** |
| | **(210.88)** | (168.70) | **(42.17)** | **25.00%** |
| **INCOME BEFORE INCOME TAX** | **515.35** | 400.16 | **115.19** | **28.78%** |
| **PROVISION FOR INCOME TAX** | **105.82** | 97.77 | **8.05** | **8.23%** |
| **NET INCOME** | **₱409.53** | ₱302.39 | **₱107.14** | **35.43%** |

**Revenues**
The Group's total revenue increase by 7.23% due to the following:

***8.39% Increase in Real Estate Revenue***
The increase is due to higher sales take up, collections and on-schedule construction activities substantially from first home market segment projects during the period.

***82.30% Increase in Interest Income from Real Estate Sales***
The increase is due to accretion of interest from new projects. Interest income from real estate sales represents interest accretion from installment contract receivables (ICR) and contract assets recognized during the period. Discount subject to accretion arises from the difference between present value of ICR and contract asset and its nominal value. Income increased due to the accretion of interest for the new project.

***6.80% decrease in Leasing Revenue***
The decrease was mainly due to the slightly elevated vacancy rate and lower lease rate during the period.

***2.93% Increase in Property Management, Hotel, and Other Services***
The increase comes from higher contribution from property management business and hotel operations compared with prior period.

**Cost and Expenses**

The Group's cost and expense increased by 6.26% due to the following:

- 6.32% increase in cost of sales directly attributable to the inrease of real estate revenue.
- 0.91% decrease in cost of leasing directly attributable to lower leasing revenue.
- 15.62% increase in cost of services directly attributable to the cost of hotel operations and higher property management fee and other services.

**3.82% Decrease in General, Administrative and Selling Expense**

The decrease is mainly due to continuing review and rationalization of operating expenses.

**37.50% Increase in Other Income and Expense**

The increase is mainly attributable to interest income from temporary placements in short-term fixed income instruments excess cash of the group and interest income from in-house financing.

***29.79% Increase in Interest and Other Financing Charges***

The increase is due to higher blended borrowing rate of the group compared with same period last year.

**8.23% increase in Provision for Income Tax**

The increase was primarily due to higher taxable income during the period.

**As a result of the foregoing, net income increased by 35.43%.**

***Financial Condition and Material Changes to the Company's Statement of Financial Position for the period-ended March 31, 2024, compared to December 31, 2023***
***(In Millions of Peso)***

| | March 31, 2024 | December 31, 2023 | Movement Amount | % |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and cash equivalents | **₱4,221.10** | ₱3,543.35 | ₱677.75 | 19.13% |
| Short-term investments | **18.26** | 18.26 | - | 0.00% |
| Receivables | **9,774.29** | 10,646.18 | (871.89) | -8.19% |
| Real estate inventories | **17,571.46** | 18,832.24 | (1,260.78) | -6.69% |
| Due from related parties | **1,700.85** | 1,566.24 | 134.61 | 8.59% |
| Advances to suppliers and contractors | **1,684.94** | 1,661.85 | 23.09 | 1.39% |
| Other current assets | **2,010.68** | 1,679.89 | 330.79 | 19.69% |
| **Total Current Assets** | **36,981.58** | **37,948.01** | **(966.43)** | **-2.55%** |
| | | | | |
| Noncurrent portion of installment contract receivables | **1,062.90** | 1,268.85 | (205.95) | -16.23% |
| Deposits for purchased land | **1,116.79** | 1,116.79 | - | 0.00% |
| Investments in and advances to joint ventures and associate | **277.32** | 277.32 | - | 0.00% |
| Investment properties | **12,422.73** | 12,421.91 | 0.82 | 0.01% |
| Property and equipment | **1,392.50** | 1,372.76 | 19.74 | 1.44% |
| Deferred tax assets – net | **56.60** | 48.36 | 8.24 | 17.05% |
| Other noncurrent assets | **851.29** | 931.42 | (80.13) | -8.60% |
| **Total Noncurrent Assets** | **17,180.13** | **17,437.41** | **(257.28)** | -1.48% |
| **TOTAL ASSETS** | **54,161.71** | **55,385.42** | **(1223.70)** | -2.21% |
| | | | | |
| **LIABILITIES** | | | | |
| Accounts and other payables | **7,162.26** | 6,219.58 | 942.69 | 15.16% |
| Contract liabilities | **3,809.47** | 3,873.08 | (63.61) | -1.64% |
| Short-term debt | **1,694.25** | 791.66 | 902.59 | 114.01% |
| Current portion of: | | | | |
| Long-term debt | **3,526.41** | 3,851.90 | (325.49) | -8.45% |
| Bonds Payable | **-** | 3,000.00 | (3,000.00) | -100.00% |
| Liability from purchased land | **39.44** | 49.48 | (10.04) | -20.30% |
| Lease Liability | **17.37** | 17.37 | - | 0.00% |
| Due to related parties | **384.10** | 384.10 | - | 0.00% |
| Income Tax Payable | **132.04** | 50.58 | 81.46 | 161.05% |
| Other current liabilities | **73.74** | 73.85 | (0.11) | -0.16% |
| **Total Current Liabilities** | **16,839.08** | **18,311.60** | **(1,641.27)** | **-8.96%** |
| | | | | |
| Noncurrent portion of: | | | | |
| Long-term debt | **6,317.66** | 6,500.34 | (182.68) | -0.28% |
| Bonds Payable | **5,877.44** | 5,877.44 | - | 0.00% |
| Lease Liability | **16.83** | 16.83 | - | 0.00% |
| Pension liabilities | **294.41** | 290.15 | 4.26 | 1.47% |
| Deferred tax liabilities | **2,134.65** | 2,458.74 | (324.09) | -13.18% |
| Other noncurrent liabilities | **1,617.98** | 1,625.98 | (8.00) | -0.49% |
| **Total Noncurrent Liabilities** | **16,258.97** | **16,769.48** | **(341.76)** | **-2.04%** |
| **Total Liabilities** | **33,098.04** | **35,081.08** | **(1,983.03)** | **-5.65%** |
| | | | | |
| **EQUITY** | | | | |
| Capital stock | **6,200.85** | 6,200.85 | - | 0.00% |
| Preferred shares | **26.50** | 15.90 | 10.60 | 66.67% |
| Additional paid-in capital | **7,465.99** | 5,524.78 | 1,941.21 | 35.14% |
| Treasury shares | **(3,109.67)** | (3,109.67) | - | 0.00% |
| Other components of equity | **28.16** | 28.16 | - | 0.00% |
| Retained earnings | **10,401.78** | 11,594.25 | (1,192.48) | -10.29% |
| Remeasurement loss on defined benefit plan | **(4.11)** | (4.11) | - | 0.00% |
| Total Equity Attributable to Equity Holders of the Parent Company | **21,009.49** | 20,250.16 | 759.33 | 3.75% |
| Non-controlling interest | **54.18** | 54.18 | - | 0.00% |
| | **21,063.67** | 20,304.34 | 759.33 | 3.74% |

| | | | | |
|---|---|---|---|---|
| | **₱54,161.71** | ₱55,385.42 | (₱1,223.70) | -2.21% |

**Assets**
The Group's total assets decreased by 2.21% due to the following:

- Cash and cash equivalents and short-term investments increase by 19.13% as a result of higher cash flow provided by operating activities during the period.

- Receivables including non-current portion decreased by 9.05% primarily due to collections from installment contract receivables and the impact of adoption of PIC Q&A 2018-12, PFRS 15 *Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04).*

- Real estate inventories decrease by 6.69% due to recognition of cost sales for sold units and the impact of the adoption of *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)* in which borrowing cost capitalized is removed from real estate inventories.

- Increase from due from related parties by 8.59% due to additional advances from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

- 9.60% increase in total other current and non-current assets primarily due to an increase in prepaid selling expenses for pre-sales during the period and increase in input taxes.

**Liabilities**
The Group's total liabilities decreased by 5.65% due to the following:

- Accounts and other payables increased by 15.16% primarily due to accruals made at the end of the period and increase in inventory related purchases.

- Total short-term and long-term debt increased by 3.54% due to net availment of loans during the period.

- In March 2024, the Group redeemed its ₱3,000 million unsecured fixed rate peso retails which resulted in a 33.79% decrease in bonds payable.

- 20.30% decrease in liability in purchase land due to payments made during the period.

- Income tax payable increased by 161.05% due to higher income during the period.

- Deferred tax liability decreased by 13.18% due to the tax impact of the adoption of new accounting standards.

**Equity**

The Group's 3.74% increase in total stockholders' equity is mostly due to issuance of ₱2,000 million preferred shares and net income during the period amounting to ₱410 million. This is offset by ₱48 million preferred shares issuance cost and impact of adoption of adoption of Certain Provisions of PIC Q&A 2018-12, PFRS 15 *Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)* and *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)* amounting to ₱1,600 million.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material commitments for capital expenditures.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations apart from the impact of ongoing Covid-19 pandemic.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.
The top five (5) key performance indicators of the Company are shown below:

| **Financial Indicators** | **31-Mar-24** | **31-Mar-23** |
|---|---|---|
| Current Ratios (a) | 2.2x | 2.8x |
| Debt to Equity (b) | 0.8x | 0.8x |
| Debt to EBITDA (c) | 5.0x | 7.2x |
| Return on Assets (d) | 3.0% | 2.2% |
| Return on Equity (e) | 7.9% | 5.1% |

*Notes:*

*16) Current ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.*
*17) Debt to Equity ratio computed by dividing total interest-bearing debt (includes short-term and long-term debts and bonds payable) by total equity.*
*18) Debt to EBITDA is calculated by dividing EBITDA for the period by total interest-bearing debt.*
*19) Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two).*
*20) Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two).*

Current ratio decreased mainly due to decrease in inventories and contract receivables due to the impact of adoption of new standards.

Debt to equity is maintained at 0.8x with decrease in interest bearing liabilities and increase in equity.

Debt to EBITDA decreased primarily due to the increase in annualized EBITDA as of March 31, 2024 compared to the same period as of March 31, 2023.

Return on Equity and Return on Assets increase due to higher annualized net income recognized during the period ended March 31, 2024 compared to the same period ended March 31, 2023.

## Key Performance Indicators

### Selected Financial Indicators
### March 31, 2024 and March 30, 2023

| Financial ratios | March 31, 2024 (Unaudited) | March 31, 2023 (Unaudited) |
|---|---|---|
| **Current/Liquidity Ratios** | | |
| Current Assets | 36,981,582,452 | 38,756,093,642 |
| Current Liabilities | 16,839,070,996 | 13,862,494,990 |
| **Current Ratios** | **2.2** | **2.8** |
| Current Assets | 36,981,582,452 | 38,756,093,642 |
| Inventory | 17,571,458,845 | 17,256,080,853 |
| Quick Assets | 19,410,123,607 | 21,500,012,789 |
| Current Liabilities | 16,839,070,996 | 13,862,494,990 |
| **Quick Ratios** | **1.2** | **1.6** |
| **Liabilities and Debt Ratios** | | |
| Short-term debt | 1,694,250,000 | 181,631,190 |
| Long-term debt - Current | 3,526,407,283 | 2,004,040,274 |
| Long-term debt - non-current | 6,317,660,550 | 8,286,231,204 |
| Bonds payable | 5,877,437,104 | 8,873,878,381 |
| **Debt** | **17,415,754,937** | **19,345,781,049** |
| **Equity** | **21,063,671,781** | **24,044,548,533** |
| **Debt-to-Equity** | **0.8** | **0.8** |
| Debt | 17,415,754,937 | 19,345,781,049 |
| Cash and Cash Equivalents | 4,221,101,676 | 6,797,409,024 |
| **Net Debt** | **13,194,653,261** | **12,548,372,025** |
| **Equity** | **21,063,671,781** | **24,044,548,533** |
| **Net Debt-to-Equity** | **0.6** | **0.5** |
| Debt | 17,415,754,937 | 19,345,781,049 |
| EBITDA (annualized for interim) | 3,458,295,276 | 2,671,995,316 |
| **Debt-to-EBITDA** | **5.0** | **7.2** |
| Income before Income Tax | 515,352,949 | 400,163,384 |
| Interest expense | 330,623,396 | 243,323,690 |
| Depreciation and amortization | 18,597,474 | 24,511,755 |
| **EBITDA** | **864,573,819** | **667,998,829** |
| EBIT | 845,976,345 | 643,487,074 |
| Interest expense | 330,623,396 | 243,323,690 |
| **Interest Coverage Ratio** | **2.6** | **2.6** |
| **Asset to Equity Ratios** | | |
| Total Assets | 54,161,712,455 | 56,667,589,851 |
| Total Equity | 21,063,671,781 | 24,044,548,533 |
| **Asset to Equity Ratio** | **2.6** | **2.4** |
| **Liabilities to Equity Ratios** | | |
| Total Liabilities | 33,098,040,656 | 32,623,041,318 |
| Total Equity | 21,063,671,781 | 24,044,548,533 |
| **Liabilities to Equity Ratio** | **1.6** | **1.4** |

| Financial ratios | March 31, 2024 (Unaudited) | March 31, 2023 (Unaudited) |
|---|---|---|
| **Profitability ratios** | | |
| Revenue | 3,578,909,003 | 3,337,537,824 |
| Gross Profit | 1,577,493,227 | 1,453,944,668 |
| **Gross Profit Ratio** | **44%** | **44%** |
| Net Income Attributable to Equity holders of the Parent Company | 409,531,406 | 174,015,296 |
| Revenue | 3,578,909,003 | 3,337,537,824 |
| **Net Income Margin** | **11.4%** | **5.2%** |
| **Total Net Income after tax (annualized)** | **1,638,125,652** | **1,209,557,628** |
| Total Asset CY | 54,161,712,455 | 56,667,589,851 |
| Total Asset PY | 55,385,411,059 | 53,931,100,448 |
| **Average total asset** | **54,773,561,757** | **55,299,345,150** |
| **Return on Asset** | **3.0%** | **2.2%** |
| **Total Net Income after tax** | **1,638,125,652** | **1,209,557,628** |
| Total Equity CY | 21,063,671,781 | 24,044,548,533 |
| Total Equity PY | 20,304,338,429 | 23,792,541,874 |
| **Average total equity** | **20,684,005,105** | **23,918,545,204** |
| **Return on Equity** | **7.9%** | **5.1%** |
| | | |
| Net Income | 409,531,413 | 302,389,407 |
| Revenue | 3,578,909,003 | 3,337,537,824 |
| **Net Income Margin** | **11.4%** | **9.1%** |

# COVER SHEET

**for**

**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

| 0 | 0 | 0 | 0 | 0 | 6 | 0 | 5 | 6 | 6 | |
|---|---|---|---|---|---|---|---|---|---|---|

**COMPANY NAME**

| C | E | N | T | U | R | Y | | P | R | O | P | E | R | T | I | E | S | | G | R | O | U | P | | I | N | C | . | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A | N | D | | S | U | B | S | I | D | I | A | R | I | E | S | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

**PRINCIPAL OFFICE** *( No. / Street / Barangay / City / Town / Province )*

| 3 | 5 | / | F | | C | E | N | T | U | R | Y | | D | I | A | M | O | N | D | | T | O | W | E | R | , | | C | E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| N | T | U | R | Y | | C | I | T | Y | , | | K | A | L | A | Y | A | A | N | | A | V | E | . | | C | O | R | . |
| S | A | L | A | M | A | N | C | A | | S | T | . | , | | P | O | B | L | A | C | I | O | N | , | | M | A | K | A |
| T | I | | C | I | T | Y | | | | | | | | | | | | | | | | | | | | | | | |

| Form Type | Department requiring the report | Secondary License Type, If Applicable |
|---|---|---|
| A A F S | S E C | N / A |

**COMPANY INFORMATION**

| Company's Email Address | Company's Telephone Number | Mobile Number |
|---|---|---|
| cpgi@century-properties.com | (02)7793-5526 | N/A |

| No. of Stockholders | Annual Meeting (Month / Day) | Fiscal Year (Month / Day) |
|---|---|---|
| 496 | 6/27 | 12/31 |

**CONTACT PERSON INFORMATION**

The designated contact person ***MUST*** be an Officer of the Corporation

| Name of Contact Person | Email Address | Telephone Number/s | Mobile Number |
|---|---|---|---|
| Isabelita C. Sales | cpgi@century-properties.com | N/A | 09955734010 |

**CONTACT PERSON's ADDRESS**

**35/F Century Diamond Tower, Century City, Kalayaan Avenue, cor. Salamanca St., Poblacion Makati City**

***NOTE 1 :*** *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

***2 :*** *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

# STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The management of **Century Properties Group Inc. and Subsidiaries** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended December 31, 2023, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

**JOSE EDUARDO B. ANTONIO**
Chairman of the Board

**JOSE MARCO R. ANTONIO**
President and CEO

**PONCIANO S. CARREON JR.**
Treasurer and CFO

**SUBCRIBED AND SWORN** to before me this APR 0 8 2024 day of _____ 20_____ affiants exhibiting to me their competent evidence of identity, as follows:

| Name | Competent Evidence of Identity | Expiry Date | Place Issued |
|---|---|---|---|
| Jose Eduardo B. Antonio | OSCA No. 94590 | - | - |
| Jose Marco R. Antonio | Passport no. P2695556B | 31-Jul-29 | DFA, Manila |
| Ponciano S. Carreon Jr. | PRC Reg. no. 0092320 | 26-Jan-25 | - |

Doc. No. 30 :
Page No. 7 :
Book No. 1 :
Series of 2024

HORACE J. BAGO
Appointment No. M-282
Notary Public for Makati City
Until December 2025
23rd Floor Century Diamond Tower, Century City
Kalayaan Avenue cor., Salamanca Street,
Barangay Poblacion Makati City
Roll of Attorneys No. 63670
IBP No. Lifetime Member No. 013489
PTR No.10109462MN, 01,26,2024/ Makati City
MCLE Compliance No. VII-0021291 valid until April 14, 2025.

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

# INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Century Properties Group Inc.
35/F Century Diamond Tower, Century City
Kalayaan Ave. cor. Salamanca St.
Poblacion, Makati City

## Opinion

We have audited the consolidated financial statements of Century Properties Group Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023 are prepared in all material respects, in accordance with the Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

## Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the 2023 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

***Real Estate Revenue Recognition***
The Group's revenue recognition process, policies and procedures is significant to our audit because this involves the application of significant judgment and estimation in the following areas: (1) assessment of the probability that the Group will be able to collect the consideration from the buyer; and (2) application of the output method as the measure of progress of project completion in determining real estate sales.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is assessed by considering factors such as history with the buyer, and age and pricing of the property. Management regularly evaluates the history of sales cancellations and back-outs, if it would still support its current threshold of the buyer's equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done which requires technical determination by management's specialists (third-party project managers). This is based on the monthly project accomplishment report prepared by the third-party project managers as approved by the construction manager which integrates the surveys of performance to date of the construction activities.

The disclosures related to real estate revenue are included in Note 30 to the consolidated financial statements.

*Audit Response*

We obtained an understanding of the Group's revenue recognition process, policies and procedures.

For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellation from buyers with accumulated payments above the collection threshold. We traced the analysis to supporting documents such as the buyer's collection reports, cancellation notices and official receipts.

For the application of the output method in determining real estate revenue, we obtained an understanding of the Group's processes for determining the percentage of completion (POC). We inspected the certified POC reports prepared by the third-party project managers and assessed their competence, capabilities and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries, and obtained the supporting details of POC reports showing the completion of the major activities of the project construction.

***Valuation of Investment Properties at Fair Value***

The Group accounts for its investment properties using the fair value model. Investment properties consist of land and buildings leased out to tenants and represent 22% of consolidated assets of the Group as at December 31, 2023. The determination of the fair values of these investment properties involves significant management judgment and estimations. The valuation also requires the assistance of an external appraiser whose calculations also depend on certain assumptions such as market rent levels, expected vacancy, discount rates and expected maintenance. Thus, we considered the valuation of investment properties at fair value as a key audit matter.

The disclosures relating to investment properties are included in Note 11 to the consolidated financial statements.

*Audit Response*

We evaluated the competence, capabilities and objectivity of the external appraiser by considering their qualifications, experience and reporting responsibilities. We involved our internal specialist in the evaluation of the methodology and assumptions used in the valuation of the investment properties. We assessed the methodology adopted by referencing common valuation models and compared the inputs and assumptions used against internal and external evidence such as lease contracts, historical vacancy rates, historical maintenance costs, and published market data.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ma. Emilita L. Villanueva.

SYCIP GORRES VELAYO & CO.

Ma. Emilita L. Villanueva
Partner
CPA Certificate No. 95198
Tax Identification No. 176-158-478
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-141-2021, November 10, 2021, valid until November 9, 2024
PTR No. 10082036, January 6, 2024, Makati City

April 4, 2024

# CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES
# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | December 31 | |
|---|---|---|
| | **2023** | 2022 |
| **ASSET** | | |
| **Current Assets** | | |
| Cash and cash equivalents (Note 4) | **₱3,543,351,959** | ₱4,130,877,582 |
| Short-term investments (Note 5) | **18,258,017** | 36,786,565 |
| Receivables (Note 6) | **10,646,177,087** | 9,845,284,321 |
| Real estate inventories (Note 7) | **18,832,235,203** | 17,723,397,564 |
| Due from related parties (Note 16) | **1,566,243,753** | 975,322,703 |
| Advances to suppliers and contractors (Note 8) | **1,661,845,890** | 1,749,972,375 |
| Other current assets (Note 13) | **1,679,891,616** | 1,642,042,968 |
| **Total Current Assets** | **37,948,003,525** | 36,103,684,078 |
| **Noncurrent Assets** | | |
| Noncurrent portion of installment contracts receivable (ICR; Notes 3 and 6) | **1,268,850,078** | 109,043,517 |
| Deposits for purchased land (Note 9) | **1,116,792,505** | 1,409,481,407 |
| Investments in and advances to joint ventures and an associate (Note 10) | **277,323,170** | 275,367,104 |
| Investment properties (Note 11) | **12,421,909,090** | 12,394,980,010 |
| Property and equipment (Note 12) | **1,372,757,159** | 2,484,315,465 |
| Deferred tax assets - net (Note 27) | **48,357,179** | 33,204,518 |
| Other noncurrent assets (Note 13) | **931,418,353** | 1,121,024,349 |
| **Total Noncurrent Assets** | **17,437,407,534** | 17,827,416,370 |
| **TOTAL ASSETS** | **₱55,385,411,059** | ₱53,931,100,448 |
| **LIABILITIES AND EQUITY** | | |
| **Current Liabilities** | | |
| Accounts and other payables (Note 14) | **₱6,219,565,272** | ₱4,994,692,908 |
| Contract liabilities (Note 15) | **3,873,075,605** | 2,769,098,151 |
| Due to related parties (Note 16) | **384,097,093** | 358,060,626 |
| Short-term debt (Note 17) | **791,664,471** | 235,141,310 |
| Current portion of: | | |
| Long-term debt (Note 17) | **3,851,897,104** | 2,192,453,618 |
| Liabilities from purchased land (Note 18) | **49,484,077** | 67,200,000 |
| Lease liabilities (Note 28) | **17,374,825** | 15,434,671 |
| Bonds payable (Note 19) | **3,000,000,000** | – |
| Income tax payable | **50,581,068** | 68,577,371 |
| Other current liabilities (Notes 28 and 32) | **73,853,300** | 68,161,473 |
| **Total Current Liabilities** | **18,311,592,815** | 10,768,820,128 |
| **Noncurrent Liabilities** | | |
| Noncurrent portions of: | | |
| Long-term debt (Note 17) | **6,500,336,528** | 8,813,861,924 |
| Bonds payable (Note 19) | **5,877,437,104** | 5,917,253,923 |
| Liabilities from purchased land (Note 18) | – | 63,782,533 |
| Lease liabilities (Note 28) | **16,834,482** | 12,297,519 |

*(Forward)*

| | December 31 | |
|---|---|---|
| | **2023** | 2022 |
| Pension liabilities (Note 26) | **₱290,148,290** | ₱231,186,468 |
| Deferred tax liabilities - net (Note 27) | **2,458,740,459** | 2,542,144,918 |
| Other noncurrent liabilities (Notes 28 and 32) | **1,625,982,952** | 1,789,211,161 |
| **Total Noncurrent Liabilities** | **16,769,479,815** | 19,369,738,446 |
| **Total Liabilities** | **35,081,072,630** | 30,138,558,574 |
| **Equity** (Note 20) | | |
| Common stock - ₱0.53 par value | | |
| Authorized - 15,000,000,000 shares | | |
| Issued - 11,699,723,690 shares | **6,200,853,553** | 6,200,853,553 |
| Preferred stock - ₱0.53 par value | | |
| Authorized - 3,000,000,000 shares | | |
| Issued – 30,000,000 shares | **15,900,000** | 15,900,000 |
| Additional paid-in capital | **5,524,776,889** | 5,524,776,889 |
| Treasury shares - 100,123,000 common shares and 30,000,000 preferred shares in 2023 and 100,123,000 common shares in 2022 (Note 20) | **(3,109,674,749)** | (109,674,749) |
| Retained earnings | **11,594,253,030** | 10,514,098,828 |
| Remeasurement gain (loss) on defined benefit plan | **(4,107,070)** | 17,440,823 |
| Other components of equity | **28,156,382** | (683,197,961) |
| **Total Equity Attributable to Equity Holders of the Parent Company** | **20,250,158,035** | 21,480,197,383 |
| **Non-controlling Interest** (Note 20) | **54,180,394** | 2,312,344,491 |
| **Total Equity** | **20,304,338,429** | 23,792,541,874 |
| **TOTAL LIABILITIES AND EQUITY** | **₱55,385,411,059** | ₱53,931,100,448 |

*See accompanying Notes to Consolidated Financial Statements.*

# CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES
# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | Years Ended December 31 | | |
|---|---|---|---|
| | **2023** | 2022 | 2021 |
| **REVENUES** | | | |
| Revenue from contracts with customers: | | | |
| Real estate sales (Note 30) | **₱10,794,577,508** | ₱9,231,484,879 | ₱7,664,401,653 |
| Property management fee, hotel, and other services (Notes 23 and 30) | **519,968,447** | 423,367,957 | 400,011,317 |
| Leasing revenue (Notes 11 and 28) | **1,293,121,807** | 1,362,474,800 | 1,200,366,601 |
| Interest income from real estate sales (Note 6) | **93,748,890** | 109,318,599 | 180,116,059 |
| | **12,701,416,652** | 11,126,646,235 | 9,444,895,630 |
| **COSTS** | | | |
| Cost of real estate sales (Note 7) | **6,013,020,827** | 5,607,263,687 | 4,808,420,850 |
| Cost of leasing (Note 11) | **438,491,958** | 440,815,699 | 352,043,445 |
| Cost of services (Note 23) | **320,589,767** | 268,345,792 | 272,728,398 |
| | **6,772,102,552** | 6,316,425,178 | 5,433,192,693 |
| **GROSS PROFIT** | **5,929,314,100** | 4,810,221,057 | 4,011,702,937 |
| **GENERAL, ADMINISTRATIVE AND SELLING EXPENSES** (Note 21) | **3,350,732,684** | 2,771,098,396 | 2,692,905,068 |
| **OTHER INCOME (EXPENSES)** – net | | | |
| Interest income and others (Note 24) | **798,179,349** | 469,275,355 | 397,550,153 |
| Gain from change in fair value of investment properties (Note 11) | **26,929,080** | 28,245,738 | 225,495,620 |
| Foreign exchange gain (loss) | **(372,439)** | 1,060,911 | 3,210,517 |
| Share in net earnings of joint ventures and an associate (Note 10) | **1,956,066** | 3,917,700 | 8,944,200 |
| Interest and other financing charges (Note 25) | **(1,208,437,779)** | (917,889,517) | (894,592,075) |
| | **(381,745,723)** | (415,389,813) | (259,391,585) |
| **INCOME BEFORE INCOME TAX** | **2,196,835,693** | 1,623,732,848 | 1,059,406,284 |
| **PROVISION FOR (BENEFIT FROM) INCOME TAX** (Note 27) | **342,192,333** | 218,973,769 | (209,699,864) |
| **NET INCOME** | **1,854,643,360** | 1,404,759,079 | 1,269,106,148 |
| **OTHER COMPREHENSIVE INCOME (LOSS)** | | | |
| *Items that will not be reclassified to profit or loss in subsequent periods:* | | | |
| Remeasurement gain (loss) on defined benefit plan - net of deferred tax (Note 26) | **(21,547,893)** | 64,468,759 | 75,994,161 |
| Net change in fair value of equity instruments at fair value through OCI | – | – | (352,783) |
| **TOTAL COMPREHENSIVE INCOME** | **₱1,833,095,467** | ₱1,469,227,838 | ₱1,344,747,526 |
| **Net income attributable to:** | | | |
| Equity holders of the Parent Company (Note 20) | **₱1,321,395,610** | ₱901,290,468 | ₱950,750,431 |
| Non-controlling interest (Note 20) | **533,247,750** | 503,468,611 | 318,355,717 |
| | **₱1,854,643,360** | ₱1,404,759,079 | ₱1,269,106,148 |
| **Total comprehensive income attributable to:** | | | |
| Equity holders of the Parent Company (Note 20) | **₱1,299,847,717** | ₱961,236,032 | ₱1,026,391,809 |
| Non-controlling interest (Note 20) | **533,247,750** | 507,991,806 | 318,355,717 |
| | **₱1,833,095,467** | ₱1,469,227,838 | ₱1,344,747,526 |
| **Basic/diluted earnings per share** (Note 20) | **₱0.11** | ₱0.060 | ₱0.065 |

*See accompanying Notes to Consolidated Financial Statements.*

# CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

### FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

| | Total Equity Attributable to Equity Holders of the Parent Company (Note 20) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Common Stock | Preferred Stock | Additional Paid-in Capital | Treasury Shares | Retained Earnings | Remeasurement Gain (Loss) on Defined Benefit Plan | Other Components of Equity | Total | Non-controlling Interest | Total |
| **At January 1, 2023** | **₱6,200,853,553** | **₱15,900,000** | **₱5,524,776,889** | **(₱109,674,749)** | **₱10,514,098,828** | **₱17,440,823** | **(₱683,197,961)** | **₱21,480,197,383** | **₱2,312,344,491** | **₱23,792,541,874** |
| Net income | – | – | – | – | **1,321,395,610** | – | – | **1,321,395,610** | **533,247,750** | **1,854,643,360** |
| Other comprehensive loss (Note 26) | – | – | – | – | – | **(21,547,893)** | – | **(21,547,893)** | – | **(21,547,893)** |
| Total comprehensive income | – | – | – | – | **1,321,395,610** | **(21,547,893)** | – | **1,299,847,717** | **533,247,750** | **1,833,095,467** |
| Cash dividends (Note 20) | – | – | – | – | **(241,241,408)** | – | – | **(241,241,408)** | **(500,000,000)** | **(741,241,408)** |
| Redemption of preferred shares (Note 20) | – | – | – | **(3,000,000,000)** | – | – | – | **(3,000,000,000)** | – | **(3,000,000,000)** |
| Acquisition of non-controlling interest (Note 20) | – | – | – | – | – | – | **711,354,343** | **711,354,343** | **(2,291,411,847)** | **(1,580,057,504)** |
| **At December 31, 2023** | **₱6,200,853,553** | **₱15,900,000** | **₱5,524,776,889** | **(₱3,109,674,749)** | **₱11,594,253,030** | **(₱4,107,070)** | **₱28,156,382** | **₱20,250,158,035** | **₱54,180,394** | **₱20,304,338,429** |
| At January 1, 2022 | ₱6,200,853,553 | ₱15,900,000 | ₱5,524,776,889 | (₱109,674,749) | ₱9,814,339,360 | (₱42,504,741) | (₱683,197,961) | ₱20,720,492,351 | ₱1,630,172,290 | ₱22,350,664,641 |
| Net income | – | – | – | – | 901,290,468 | – | – | 901,290,468 | 503,468,611 | 1,404,759,079 |
| Other comprehensive income (Note 26) | – | – | – | – | – | 59,945,564 | - | 59,945,564 | 4,523,195 | 64,468,759 |
| Total comprehensive income | – | – | – | – | 901,290,468 | 59,945,564 | - | 961,236,032 | 507,991,806 | 1,469,227,838 |
| Cash dividends (Note 20) | – | – | – | – | (201,531,000) | – | – | (201,531,000) | (200,000,000) | (401,531,000) |
| Additional investment by non-controlling interest (Note 20) | – | – | – | – | – | – | – | – | 374,180,395 | 374,180,395 |
| At December 31, 2022 | ₱6,200,853,553 | ₱15,900,000 | ₱5,524,776,889 | (₱109,674,749) | ₱10,514,098,828 | ₱17,440,823 | (₱683,197,961) | ₱21,480,197,383 | ₱2,312,344,491 | ₱23,792,541,874 |
| At January 1, 2021 | ₱6,200,853,553 | ₱15,900,000 | ₱5,524,776,889 | (₱109,674,749) | ₱9,028,945,474 | (₱118,498,902) | (₱682,845,178) | ₱19,859,457,087 | ₱1,271,816,573 | ₱21,131,273,660 |
| Net income | – | – | – | – | 950,750,431 | – | – | 950,750,431 | 318,355,717 | 1,269,106,148 |
| Other comprehensive income (loss) (Note 26) | – | – | – | – | – | 75,994,161 | (352,783) | 75,641,378 | - | 75,641,378 |
| Total comprehensive income | – | – | – | – | 950,750,431 | 75,994,161 | (352,783) | 1,026,391,809 | 318,355,717 | 1,344,747,526 |
| Cash dividends (Note 20) | – | – | – | – | (165,356,545) | – | – | (165,356,545) | (160,000,000) | (325,356,545) |
| Acquisition of non-controlling interest (Note 20) | – | – | – | – | – | – | – | – | 200,000,000 | 200,000,000 |
| At December 31, 2021 | ₱6,200,853,553 | ₱15,900,000 | ₱5,524,776,889 | (₱109,674,749) | ₱9,814,339,360 | (₱42,504,741) | (₱683,197,961) | ₱20,720,492,351 | ₱1,630,172,290 | ₱22,350,664,641 |

*See accompanying Notes to Consolidated Financial Statements.*

# CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES
# CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Years Ended December 31 | | |
|---|---|---|---|
| | **2023** | 2022 | 2021 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Income before income tax | **₱2,196,835,692** | ₱1,623,732,848 | ₱1,059,406,284 |
| Adjustments for: | | | |
| Interest and other financing charges (Note 25) | **1,208,437,780** | 917,889,517 | 894,592,075 |
| Depreciation and amortization (Notes 12, 13 and 21) | **81,875,890** | 55,993,463 | 67,580,015 |
| Retirement expense (Note 26) | **43,196,004** | 47,016,562 | 50,112,456 |
| Interest income (Notes 4, 5, 6 and 24) | **(250,456,764)** | (162,524,367) | (220,318,454) |
| Gain from change in fair value of investment properties (Note 11) | **(26,929,080)** | (28,245,738) | (225,495,620) |
| Share in net earnings of joint ventures and associate (Note 10) | **(1,956,066)** | (3,917,700) | (8,944,200) |
| Write off of advances to related parties (Note 16) | **12,834,223** | – | – |
| Impairment on investment in a joint venture (Note 10) | – | 3,055,000 | – |
| Loss on sale of investment properties (Notes 11 and 24) | – | 815,953 | 34,128,752 |
| Operating income before working capital changes | **3,263,837,679** | 2,453,815,538 | 1,651,061,308 |
| Decrease (increase) in: | | | |
| Receivables | **(1,866,950,437)** | (183,879,579) | 2,134,808,092 |
| Real estate inventories | **498,649,201** | 127,271,816 | (1,317,290,278) |
| Advances to suppliers and contractors | **88,126,485** | 676,771,233 | 960,841 |
| Other assets | **163,859,124** | 305,892,453 | (27,242,594) |
| Increase (decrease) in: | | | |
| Accounts and other payables | **1,195,247,612** | (256,407,382) | (7,771,058) |
| Contract liabilities | **1,103,977,454** | (279,512,691) | 1,590,833,840 |
| Liability from purchased land | **(81,498,456)** | (77,362,753) | (67,190,457) |
| Other liabilities | **(153,928,097)** | (80,380,904) | (117,059,539) |
| Cash generated by operations | **4,211,320,565** | 2,686,207,731 | 3,841,110,155 |
| Interest received (Note 24 ) | **145,365,612** | 53,205,768 | 40,202,395 |
| Interest and other financing costs paid | **(1,314,005,861)** | (1,018,045,757) | (1,150,215,529) |
| Income taxes paid | **(451,563,122)** | (288,055,516) | (62,656,415) |
| Retirement benefits paid (Note 26) | **(10,007,461)** | (15,025,874) | (31,313,494) |
| Net cash provided by operating activities | **2,581,109,733** | 1,418,286,352 | 2,637,127,112 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Proceeds from: | | | |
| Maturity of short-term investments | **18,528,548** | 995,727,425 | – |
| Sale of investment properties (Note 11) | – | 31,056,047 | 92,923,673 |
| Sale of property and equipment | – | – | 12,145,459 |
| Maturity of investment in bonds | – | – | 463,750,000 |
| Payments for: | | | |
| Additions to investment properties (Note 11) | – | (13,448,339) | (269,005,777) |
| Additions to short-term investments (Note 5) | – | – | (747,272,234) |
| Additions to property and equipment (Notes 12 and 34) | **(83,519,822)** | (160,225,133) | (28,549,518) |
| Deposits for purchased land (Note 9) | **(5,000,000)** | (80,830,196) | (4,569,060) |
| Intangible assets (Note 13) | **(12,687,025)** | – | (22,455,101) |
| Advances made to related parties | **(606,712,520)** | (442,835,692) | (62,539,972) |
| Net cash provided by (used in) investing activities | **(689,390,819)** | 329,444,112 | (565,572,530) |

*(Forward)*

| | Years Ended December 31 | | |
|---|---|---|---|
| | **2023** | 2022 | 2021 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from: | | | |
| Short-term and long-term debt (Note 17) | **₱3,613,097,763** | ₱6,776,350,442 | ₱3,365,320,535 |
| Issuance of bonds payable (Note 19) | **3,000,000,000** | 3,000,000,000 | 3,000,000,000 |
| Additional investment from non-controlling interest (Note 20) | **–** | 320,000,000 | 200,000,000 |
| Increase (decrease) in liabilities to preferred shareholders of a subsidiary | **7,733,977** | (30,248,038) | – |
| Receipts of advances made from related parties (Note 16) | **26,036,467** | 40,701,892 | 47,352,712 |
| Payments for: | | | |
| Short-term and long-term debt (Note 17) | **(3,709,775,849)** | (7,868,987,759) | (6,751,494,594) |
| Deferred financing cost (Notes 17 and 19) | **(109,255,420)** | (116,804,807) | (82,986,143) |
| Cash dividends (Note 20) | **(291,624,158)** | (201,531,000) | (327,440,181) |
| Dividends paid to non-controlling interest (Note 20) | **(500,000,000)** | (200,000,000) | (160,000,000) |
| Acquisition of non-controlling interest (Note 20) | **(1,500,050,000)** | **–** | – |
| Lease liabilities (Note 28) | **(15,407,317)** | (29,407,773) | (23,678,500) |
| Redemption of preferred shares (Note 20) | **(3,000,000,000)** | **–** | – |
| Bonds payable (Note 19) | **–** | (3,000,000,000) | (119,110,000) |
| Net cash used in financing activities | **(2,479,244,537)** | (1,309,927,043) | (852,036,171) |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | **(587,525,623)** | 437,803,421 | 1,219,518,411 |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** (Note 4) | **4,130,877,582** | 3,693,074,161 | 2,473,555,750 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** (Note 4) | **₱3,543,351,959** | ₱4,130,877,582 | ₱3,693,074,161 |

*See accompanying Notes to Consolidated Financial Statements*.

## 1. Corporate Information

Century Properties Group Inc. (the Parent Company or CPGI), a publicly listed company, was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 6, 1975. The Parent Company is a 68.22%-owned subsidiary of Century Properties Inc. (the Ultimate Parent or CPI) and the rest by the public. CPGI and its subsidiaries (collectively referred to hereinafter as the Group) is primarily engaged in the development and construction of residential and commercial real estate projects, leasing, hotel and property management.

The registered office address of the Parent Company is 35/F Century Diamond Tower, Century City, Kalayaan Ave. cor Salamanca St., Poblacion, Makati City.

Approval of the Consolidated Financial Statements
The consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 were approved and authorized for issue by the Board of Directors (BOD) on April 4, 2024.

## 2. Material Accounting Policies

Basis of Preparation
The consolidated financial statements have been prepared using the historical cost basis except for investment properties that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is the functional currency of the Parent Company and its subsidiaries. All amounts are rounded off to the nearest ₱, except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief on the accounting for significant financing components as issued and approved by the SEC in response to the COVID-19 pandemic:

a. Assessing if the transaction price includes a significant financing component discussed in Philippine Interpretations Committee (PIC) Questions and Answers (Q&A) No. 2018-12-D;
b. Treatment of land in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E; and,
c. Application of International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *Borrowing Cost*).

These accounting pronouncements address the issues of PFRS 15, *Revenue from Contracts with Customers*, affecting the real estate industry:

- *Deferral of the following provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry*
  a. Assessing if the transaction price includes a significant financing component (as amended by PIC Q&A 2020-04);
  b. Treatment of land in the determination of the percentage-of-completion (POC); and

- *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)* The consolidated financial statements also include the availment of relief under SEC MC No. 4-2020 to defer the adoption of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, *Borrowing Cost* (the IFRIC Agenda Decision on Borrowing Cost) until December 31, 2020.

In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of provisions (a) and (b) above of PIC Q&A 2018-12 and the IFRIC Agenda Decision on Borrowing Cost, for another three (3) years or until December 31, 2023.

The details and the impact of the adoption of the above financial reporting reliefs are discussed in the section below under Changes in Accounting Policies and Disclosures.

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards (PAS) and interpretations issued by PIC.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023.

An investee is included in the consolidation at the point when control is achieved. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full in the consolidated financial statements.

Non-controlling interests (NCI) pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. Any equity instruments, including preferred shares, issued by a subsidiary that are not owned by the Parent Company, are non-controlling interests. The portion of profit or loss and net assets in subsidiaries not wholly-owned by the Parent Company are presented separately in the consolidated statement of comprehensive income and within the equity section of the consolidated statement of financial position and consolidated statement of changes in equity, separately from the Parent Company's equity.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the NCI, even if this results in the NCI having a deficit balance.

Changes in the controlling ownership interest, i.e., acquisition of non-controlling interest or partial disposal of interest over a subsidiary that do not result in a loss of control, are accounted for as equity transactions.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

| | Percentage of Ownership | | |
|---|---|---|---|
| | **2023** | 2022 | 2021 |
| Century Limitless Corporation (CLC) | 100 | 100 | 100 |
| Century Acqua Lifestyle Corporation (CALC) | 100 | 100 | 100 |
| Tanza Properties I, Inc. (TPI I) | 100 | 60 | 60 |
| Tanza Properties II, Inc. (TPI II) | 100 | 60 | 60 |
| Tanza Properties III, Inc. (TPI III) | 100 | 60 | 60 |
| Katipunan Prime Development Corporation (KPDC) | 100 | 100 | 100 |
| Century PHirst Corporation (CPC)* | 100 | 100 | 100 |
| Century Properties Management, Inc. (CPMI) | 100 | 100 | 100 |
| Siglo Suites, Inc. (SSI) | 100 | 100 | 100 |
| Siglo Commercial Management Corporation (SCMC) **** | – | – | 100 |
| Century Communities Corporation (CCC) | 100 | 100 | 100 |
| Century City Development Corporation (CCDC) | 100 | 100 | 100 |
| Century City Development Corporation II (CCDC II) | 100 | 100 | 100 |
| Centuria Medical Development Corporation (CMDC) | 100 | 100 | 100 |
| Milano Development Corporation (MDC) | 100 | 100 | 100 |
| Others**** | – | – | 100 |
| Century Destination Lifestyle Corporation (CDLC)** | 100 | 100 | 100 |
| PHirst Park Homes, Inc. (PPHI) | 100 | 60 | 60 |
| Century Nuliv Development Corporation (CNDC)*** | 100 | 100 | 100 |

**formerly PHirst Park Homes Development Corporation (PPHDC)*
***formerly Century Properties Hotel and Leisure Inc. (CPHLI)*
****formerly Century Prima Corporation (CPC).*
*****subsidiaries of CCDC that were liquidated in 2022*

*Acquisition of Additional Interest - PPHI*
On May 31, 2023, the Board of Directors (BOD) of CPGI approved the acquisition of 1,060,000,000 common shares with a par value of ₱1.00 per common share from Mitsubishi Corporation (MC), representing the latter's 40% ownership interest in PPHI, and 265,000 Preferred B shares with a par value of ₱1,000 per share owned by MC in PPHI. The Philippine Competition Commission (PCC) has approved the acquisition transaction on August 9, 2023 and the transaction was made effective on October 30, 2023 in accordance with the terms of the acquisition at a transaction price of ₱1.09 per common share and ₱1,085.28 per preferred share (see Note 20).

*Acquisition of Additional Interests TPI, TPII, and TPIII*
On May 31, 2023, the Board of Directors of the Century Limitless Corporation (CLC) also approved the acquisition of the 40% shareholdings of MC in the following subsidiaries:
a. 409,780 common shares with par value of ₱100.00 per share and 175,620 preferred shares with par value of ₱100.00 per share in TPI.
b. 140,000 common shares with par value of ₱100.00 per share of MC in TPII.
c. 120,000 common shares with par value of ₱100.00 per share of MC in TPIII.

The PCC has approved the above transaction on August 9, 2023 and the transaction was made effective on October 30, 2023 in accordance with the terms of the acquisition (see Note 20).

Adoption of New and Amended Accounting Standards and Interpretations
The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements as at and for the year ended December 31, 2022, except for the following new standards and amendments effective as at January 1, 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:
  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed.

  The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the consolidated financial statements of the Group.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

- Amendments to PAS 8, *Definition of Accounting Estimates*

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Except as otherwise stated, the Group does not expect the adoption of these pronouncements to have a significant impact on the consolidated financial statements.

*Effective beginning on or after January 1, 2024*
- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

*Effective beginning on or after January 1, 2025*
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

*Deferred effectivity*
- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

- *Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)*

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the Philippine SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

  A summary of the PIC Q&A provisions covered by the SEC deferral and the related deferral period follows:

| | | Deferral Period |
|---|---|---|
| a. | Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04) | Until December 31, 2023 |
| b. | Treatment of land in the determination of the POC discussed in PIC Q&A 2018-12-E | Until December 31, 2023 |

  The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:
  a. The accounting policies applied.
  b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.

c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

In November 2020, the PIC issued the following Q&A which provide additional guidance on the real estate industry issues covered by the above SEC deferrals:

- PIC Q&A 2020-04, which provides additional guidance on determining whether the transaction price includes a significant financing component.

After the deferral period, real estate companies have an accounting policy option of applying either the full retrospective approach or modified retrospective approach as provided under SEC MC 8-2021. The Group availed of the SEC reliefs to defer the above specific provisions of PIC Q&A No. 2018-12. Had these provisions been adopted, the Group assessed that the impact would have been as follows:

a. The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied retrospectively and would have resulted in restatement of prior year financial statements in case a full retrospective approach is applied. Depending on the approach of adoption, the adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, contract assets, provision for deferred income tax, deferred tax asset or liability for all years presented (full retrospective approach), and the opening balance of retained earnings (full retrospective approach and modified retrospective approach). The Group is currently assessing if the mismatch constitutes a significant financing component for its contracts to sell. The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented in case of a full retrospective approach.

b. The exclusion of land in the determination of POC would have reduced the percentage of completion of real estate projects. Adoption of this guidance would have reduced revenue from real estate sales, cost of sales and installment contracts receivable; increased real estate inventories and would have impacted deferred tax asset or liability and provision for deferred income tax for all years presented, and the opening balance of retained earnings.

The Group has opted to adopt the relevant provisions of the PIC Q&A using the modified retrospective approach.

- *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)*
  In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under paragraph 35(c) of IFRS 15 (PFRS 15). IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under PAS 23, *Borrowing Costs,* considering that these inventories are ready for their intended sale in their current condition.

  The IFRIC Agenda Decision would change the Group's current practice of capitalizing borrowing costs on real estate projects with pre-selling activities.

  On February 21, 2020, the Philippine SEC issued Memorandum Circular No. 4-2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Further, on December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020, which extends the relief on the application of the IFRIC Agenda Decision provided to the Real Estate Industry until December 31, 2023. Effective January 1, 2024, the Real Estate Industry will adopt the IFRIC agenda decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC Agenda Decision.

  For real estate companies that avail of the deferral, the SEC requires disclosure in the Notes to the Consolidated Financial Statements of the accounting policies applied, a discussion of the deferral of the subject implementation issues, and a qualitative discussion of the impact in the financial statements had the IFRIC agenda decision been adopted.

  The Group opted to avail of the relief as provided by the SEC. Had the Group adopted the IFRIC agenda decision, borrowing costs capitalized to real estate inventories related to projects with pre-selling activities should have been expensed out in the period incurred. This adjustment should have been applied retrospectively and would have resulted in restatement of prior year consolidated financial statements in case a full retrospective approach is applied. Depending on the approach of adoption, the adoption of the IFRIC agenda decision would have impacted interest expense, cost of sales, provision for deferred income tax, real estate inventories, deferred tax liability for all years presented (full retrospective approach), and the opening balance of retained earnings (full retrospective approach and modified retrospective approach). The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented.

  The Group has opted to adopt the above IFRIC Agenda Decision using the modified retrospective approach.

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;

- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Financial Instruments

*Financial assets*

*Initial recognition, Classification and Measurement*
At initial recognition, financial assets are classified and measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market-place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

*Subsequent measurement of financial assets*
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at FVTPL
- Financial assets at FVOCI, where cumulative gains or losses previously recognized are reclassified to profit or loss
- Financial assets designated at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss

*Financial assets at amortized cost*
The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are initially recognized at fair value plus directly attributable transaction costs and subsequently measured using the effective interest (EIR) method, less any impairment in value. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

As of December 31, 2023 and 2022, the Group's financial assets at amortized cost include "Cash and cash equivalents", "Short-term investments", "Receivables" (excluding other receivables), rental deposits under "Other current assets" and "Due from related parties"

*Financial liabilities*

*Initial recognition, Classification and Measurement*
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fee and other fees.

*Subsequent measurement*
The measurement of financial liabilities depends on their classification, as described below:

*Financial liabilities at FVTPL*
The Group has no financial liability as at FVTPL.

*Loans and borrowings*
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of comprehensive income.

As of December 31, 2023 and 2022, the Group's financial liabilities at amortized cost includes "Accounts and other payables" (excluding customer's advances and statutory liabilities), "Due to related parties", "Short-term debt", "Liability from purchased land", Long-term debt", "Bonds Payable" and "Liabilities to Preferred Shareholders" under noncurrent liabilities.

*Compound financial instruments*
A compound financial instrument is a non-derivative financial instrument that, from the Group's perspective, contains both a liability and an equity component. On initial recognition of a compound financial instrument, the Group identifies the various components of the instrument and determine the fair value of the liability component. The Group then determines the equity component as a residual amount, essentially the issue proceeds of the instrument less the fair value liability component determined.

Impairment of Financial Assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are also recognized and interest revenue is calculated by applying the credit-adjusted EIR to the amortized cost of the financial asset.

The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for management fee and leasing receivables and vintage analyses for Installment Contract Receivables (ICRs) that are based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all debt financial assets other than ICRs, leasing and management fee receivables, ECLs are recognized using the general approach wherein the Group tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECLs at each reporting date.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Group's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the Group from the time of origination.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

For "Cash and cash equivalents", "Short-term Investments" and "Due from related parties" the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch, as applicable, to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Derecognition of Financial Assets and Liabilities

*Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

*Financial liabilities*

A financial liability is derecognized when the obligation under the financial liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Write-off
The Group writes off a financial asset, in whole or in part, when the asset is considered uncollectible, it has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Real Estate Inventories
Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes:
- Land cost
- Land improvement cost
- Borrowing cost
- Amounts paid to contractors for construction and development
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale.

Real estate inventories include land held for future development. The Group has plans, as approved by the BOD, to construct and develop these parcels of land as a residential property for sale in the ordinary course of business. The physical construction activities have not commenced as of December 31, 2023 and 2022.

Deposits for Land
The Group normally makes deposits before a CTS or Deed of Absolute Sale (DOAS) is executed between the Group and the landowner. These are recognized and carried at cost less impairment losses, if any.

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest measure using the EIR method and other costs that an entity incurs in connection with the borrowing of funds.

Where borrowings are associated with specific developments, the amount capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of

practical completion. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted.

Investments in and Advances to Joint Ventures and Associate
An investment is accounted for using the equity method from the day it becomes a joint venture or associate. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and not amortized.

Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and is instead included as income in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statement of comprehensive income reflects the share of the results of the operations of the investee companies, if there's any. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

Investment Properties
Investment properties comprise of properties that are held to earn rentals or capital appreciation or both and that are not occupied by the entities in the Group.

Investment properties are measured initially at cost including certain transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise. The fair values of investment properties are determined based on annual valuation performed by accredited external independent real estate valuation experts based on the "income approach" using discounted cash flow analysis for its income generating buildings which are based on the buildings discounted future cash flows.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner's occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner's occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

For a transfer from investment property to inventories, the change in use is evidenced by commencement of development with a view to sale. When the Group decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized and does not treat it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains

an investment property and is not reclassified as owner-occupied property during the redevelopment. For a transfer from investment property carried at fair value to inventories, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and any impairment in value. The cost of an item of property and equipment includes its purchase price and any cost attributable in bringing the asset to the intended location and working condition.

Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to expenses in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation of property and equipment commences once the property and equipment are put into operational use and is computed on a straight-line basis over the estimated useful lives (EUL) of the property and equipment as follows:

| | Years |
|---|---|
| Office equipment | 3 - 5 |
| Computer equipment | 3 - 5 |
| Furniture and fixtures | 3 - 5 |
| Transportation equipment | 5 |
| Leasehold improvements | 5 or lease term, whichever is shorter |
| Construction equipment | 5 |
| Building | 40 |
| Right-of-use assets | 3 - 6 |

The useful lives and depreciation method are reviewed at financial year end to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment. When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Construction in progress, included in property and equipment, is stated at cost. Depreciation is computed when the relevant asset is completed and becomes available for use in operations, at which time, the asset is reclassified to its property and equipment category.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation and amortization is charged against current operations.

The Group classifies its right-of-use assets as part of property and equipment.

Impairment of Nonfinancial Assets

The Group assesses as at reporting date whether there is an indication that its nonfinancial assets (e.g., property and equipment, deposit for purchased land and investments and advances in joint ventures and associate) may be impaired. If any such indication exists, or when annual impairment

testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses are recognized in the expense categories of profit or loss consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

For investments in associates and joint ventures, after application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in associates or joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the consolidated statement of comprehensive income.

Leases

*Group as a lessee*
Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*Short-term leases*
The Group applies the short-term lease recognition exemption to its short-term leases of office spaces (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

*Group as a lessor*
Leases where the Group does not transfer substantially all the risk and benefits of the ownership of the asset are classified as operating leases. Otherwise, they are classified as finance leases. Rental income from operating leases is recognized as income on a straight-line basis over the lease term.

Liabilities on Preferred Shares Subscription

Liabilities on preferred shares subscription represent cash received by CALC, a subsidiary, that are convertible to a fixed number of CALC's stocks in the future. CALC's preferred shares are considered as compound financial instruments which contain both liability and equity components. Since the preferred shares are non-redeemable and entitles the holder to a pro-rata share of assets upon liquidation, including twenty-eight (28) free nights to stay at the hotel, this financial instrument is classified as an equity instrument. However, the preferred shares establish a contractual right to a dividend [i.e., the net room rental revenue (NRRR)], thus, it contains a financial liability with respect to the share in the NRRR.

Equity

*Common stock, Preferred stock and Additional paid-in capital*

The Group records common stock and preferred stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par value of the equity share. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

*Retained earnings*

Retained earnings represent accumulated earnings of the Group less dividends declared, if any and transition adjustments from policy changes.

*Treasury shares*

Treasury shares are Parent Company' own equity instruments (whether common or preferred) which are reacquired and are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified, in case of common shares, for the Parent Company and no dividends are allocated to them respectively. When the shares are retired, the common or preferred capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

*Non-controlling interest*

Non-controlling interest are recognized and measured at the proportionate share of the non-controlling interest to the net assets of the Group. When non-controlling interest is subsequently acquired, the difference between the acquisition price and the carrying value of the interest as at acquisition date is recognized as equity reserve under "Other components of equity" account in the consolidated statement of financial position.

Revenue and Cost Recognition under PFRS 15

*Revenue from Contract with Customers*

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water and electricity in its leasing units, wherein it is acting as agent.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

*Real estate sales*
The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured based on the physical proportion of the real estate project's completion. This is based on the monthly project accomplishment report prepared by the third-party project engineers which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself. Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as installment contracts receivable. Any excess of collections over the recognized installment contracts receivables is included in the "customers' deposit" account in the liabilities section of the consolidated statement of financial position.

The impact of the significant financing component on the transaction price and treatment of land in determination of percentage of completion (POC) to measure the progress of its performance obligations has not been considered since the Group availed of the relief granted by the SEC under Memorandum Circular No. 34-2020 until December 31, 2023.

*Property management fee, hotel and other services*
Revenue from property management, hotel and other services is recognized over time as they are rendered since the customer simultaneously receives and consumes the benefits provided by the Group's performance of its obligation. Property management fee and other services consist of revenue arising from management contracts, auction services and technical services while Hotel revenue consist of revenue arising from the rental of rooms, food and beverage sales, and other service revenue.

*Cost of real estate sales*
The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated between the sold units being recognized as cost of sales and the unsold units being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

The impact of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, *Borrowing Cost* has not been considered since the Group availed of the relief granted by the SEC under MC No. 34-2020 until December 31, 2023.

Leasing Revenue
The Group leases its commercial real estate properties to others through operating leases. Rental income on leased properties is recognized on a straight-line basis over the lease term, or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Contingent rents are recognized as revenue in the period in which they are earned.

Income from Forfeited Collections
Income from forfeited collections recorded under "Interest and other income" is recognized at a point in time when the deposits from potential buyers are deemed nonrefundable due to prescription of the period for entering into a contracted sale. Such income is also recognized, subject to the provisions of Republic Act 6552, *Realty Installment Buyer Act*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

Interest Income
Interest income is recognized as it accrues, taking into account the effective yield on the asset.

Other Income
Other income consists of customer-related fees such as penalties and surcharges are recognized as they accrue, taking into account the provisions of the related contract.

Cost of Leasing
Cost of leasing pertains to direct costs of leasing the Group's commercial properties. These costs are expensed as incurred.

Cost of Services
Cost of services pertains to direct costs of property management, hotel and other services. These costs are expensed as incurred.

General and Administrative Expenses
General and administrative expenses constitute costs of administering the business and are expensed as incurred.

Contract Balances
*Installment contract receivables (ICRs)*
ICRs pertain to any excess of progress of work over the right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

*Contract assets*
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. The contract assets are presented within the "Installment contract receivables" as allowed by PIC Q&A 2018-12D on the presentation of contract asset.

*Contract liabilities*
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to Obtain Contract
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are recorded as "Prepaid commissions" in the consolidated statement of financial position. These are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "General and administrative expenses" account in the consolidated statement of comprehensive income.
Costs incurred prior to obtaining contract with customer are expensed as incurred.

*Amortization, de-recognition and impairment of capitalized costs to obtain a contract*
Following the pattern of real estate revenue recognition, the Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price is removed for the impairment test.

Pension Cost
Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with an option to accelerate when significant changes to underlying assumptions occur.

Pension cost includes current service cost, interest cost, past service cost and gains and losses, and curtailment and non-routine settlement.

The liability recognized by the Group in respect of the funded defined benefit pension plan is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

Remeasurements, comprising of actuarial gains or losses, the effect of the asset ceiling, excluding net interest cost and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Income Taxes

*Current tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as of the reporting date.

*Deferred tax*

Deferred tax is provided using the balance sheet liability method on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluations. Deferred tax assets are recognized for all deductible temporary differences, carry forward benefit of unused tax credits from the excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits from MCIT and unused NOLCO can be utilized. Deferred tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.

Deferred tax liabilities are not provided on non-taxable temporary differences associated with investments in domestic subsidiaries and associate.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Value-added Tax (VAT)
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable and is included as part of the "Accounts and other payables" account in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset and is included as part of the "Other current assets" and "Other noncurrent assets" accounts in the consolidated statement of financial position to the extent of the recoverable amount.

Foreign Currency Transactions
Transactions denominated in foreign currencies are initially recorded using the exchange rates prevailing at transaction dates. Foreign currency-denominated monetary assets and liabilities are retranslated using the closing exchange rates at reporting date. Exchange gains or losses arising from foreign currency transactions are credited to or charged against current operations.

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on the Group's business segments is presented in Note 31 to the consolidated financial statements.

Earnings Per Share
Basic earnings per share (EPS) is computed by dividing net income attributable to common stockholders by the weighted average number of common shares issued and outstanding during the year and adjusted to give retroactive effect to any stock dividends declared during the period. The net income attributable to common stockholders of the Parent Company is net of dividends attributable to preferred stockholders.

Diluted EPS is computed by dividing net income attributable to common equity holders by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares. The calculation of diluted EPS does not assume conversion, exercise or other issue of potential common shares that would have an antidilutive effect on earnings per share.

As of December 31, 2023, 2022 and 2021, the Group has no potentially dilutive common shares.

Events After the Reporting Date
Post year-end events up to the date of auditor's report that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

## 3. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRSs requires the Group to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments, estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

*Material partly-owned subsidiaries*
The consolidated financial statements include additional information about subsidiaries that have NCI that are material to the Group (see Note 20). Management determined material partly-owned subsidiaries as those with carrying value of NCI greater than 5% of total NCI as at end of the year. In 2023, the Group acquired the respective NCIs in CLC, PPHI and TPI (see Note 2).

*Existence of a contract*
The Group's primary document for a contract with a customer is a signed CTS. It has determined, however, that in cases wherein CTS are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

*Revenue recognition method and measure of progress*
The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use; and (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate

revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about 5% would demonstrate the buyer's commitment to pay.

The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

*Incorporation of forward-looking information*
The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group has considered a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on its evaluation and assessment and after taking into consideration external actual and forecast information, the Group considers a representative range of possible forecast scenarios. This process involves gathering two or more economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predictive relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Group has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

*Operating lease commitments - the Group as a lessor*
Management has determined that the Group retains all significant risks and rewards of underlying assets and thus, accounts for the contracts as operating leases. The ownership of the underlying assets is not transferred to the lessee by the end of the lease term. Leasing revenue amounted to ₱1,293.12 million, ₱1,362.47 million and ₱1,200.37 million in 2023, 2022 and 2021, respectively (see Note 28).

*Distinction of property between real estate inventories, property and equipment and investment properties*
The Group determines whether a property will be classified as real estate inventories, property and equipment or investment properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (real estate inventories) and even if the real estate inventories are leased out, the classification remains on the condition that the intent to sell remains. The Group also considers whether the property is held for administrative purposes and classifies the property under property and equipment. All other properties that are not yet determined to be sold in

the normal operating cycle nor held for administrative purposes are classified as investment properties.

In 2023, the Group, as approved by the BOD, decided to remove 158 units it owns in Novotel Suites Manila at Acqua 6 with a total cost of ₱1,152.68 million from the hotel pool and to sell these as regular residential units. Accordingly, the Group reclassified such amount from "property and equipment" to "real estate inventories" (Notes 7 and 12).

Management's Use of Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Revenue recognition on real estate projects*

The Group's revenue recognition require management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Group's revenue from real estate and construction contracts is recognized based on percentage of completion (POC) are measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and requires technical determination by management's specialists (third-party project engineers).

*Collectability of the sales price*

In determining whether the sales price is collectible, the Group considers that the initial and continuing investments by the buyer of 5% would demonstrate the buyer's commitment to pay. Based on the historical trend of cancellations of customer contracts, the management believes that 5% continues to be reasonable. The revenue arising from these sales contracts amounted to ₱10,794.58 million, ₱9,231.48 million and ₱7,664.40 million in 2023, 2022 and 2021, respectively (see Note 30).

*Fair value of investment properties*

The Group carries its investment properties at fair value, with changes in fair value being recognized in profit or loss except for investment properties under construction. The Group determined that the fair value of its investment properties under construction cannot yet be reliably measurable, as such these investment properties are measure at cost. Once the construction is complete or the fair value is reliably measurable, whichever comes first, the Group will measure the investment property at fair value.

For its investment properties that are complete and whose fair values are reliably measurable, the Group engages annually independent valuation specialists to determine its fair value. The appraisers used income approach using discounted cash flow method for its properties which are based on future cash flows available for such properties. Gain from change in fair value of investment properties amounted to ₱26.93 million, ₱28.24 million and ₱225.50 million in 2023, 2022 and 2021, respectively. The carrying value of the investment properties amounted to ₱12,421.91 million and ₱12,394.98 million as of December 31, 2023 and 2022, respectively (see Note 11).

*Evaluation of impairment of financial assets*
The Group uses a provision matrix to calculate ECLs for cash and cash equivalents, short-term investments, receivables other than ICRs, due from related parties, rental deposits and investment in bonds. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for ICRs. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The Group defines a financial instrument as "in default" when a customer is more than 90 days past due on its contractual obligations. However, in certain cases, the Group may also consider a financial asset to be "in default" when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. An instrument is considered to be no longer in default (i.e., to have cured) when it no longer meets any of the default criteria.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

As of December 31, 2023, and 2022, the allowance for impairment losses on financial assets of the Group amounted to ₱34.85 million and ₱9.70 million, respectively (see Note 6). As of December 31, 2023, and 2022, the carrying values of these assets are as follows:

| | **2023 (in millions)** | 2022 (in millions) |
|---|---|---|
| Cash and cash equivalents (Note 4) | **₱3,543.35** | ₱4,130.88 |
| Short-term investments (Note 5) | **18.26** | 36.79 |
| Receivables* (Note 6) | **11,549.90** | 9,581.16 |
| Due from related parties (Note 16) | **1,566.24** | 975.32 |
| Rental deposits (Note 13) | **94.25** | 95.96 |

**Excluding other receivables that are non-financial in nature amounting to ₱365.13 million and ₱382.87 million as of December 31, 2023 and 2022, respectively.*

*Estimating NRV of real estate inventories*
The Group reviews the NRV of real estate inventories and compares it with the cost since assets should not be carried in excess of amounts expected to be realized from sale. Real estate inventories are written down below cost when the estimated NRV is found to be lower than the cost.

NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group having taken suitable external advice and in light of recent market transactions. NRV in respect of inventory under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction less an estimate of the time value of money to the date of completion. The estimates used took into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

The carrying values of real estate inventories amounted to ₱18,832.24 million and ₱17,723.40 million as of December 31, 2023 and 2022, respectively (see Note 7).

*Evaluation of nonfinancial assets*
The Group assesses impairment on its nonfinancial assets and considers the following important indicators:

- Significant changes in asset usage;
- Significant decline in assets' market value;
- Obsolescence or physical damage of an asset;
- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of usage of the acquired assets or the strategy for the Group's overall business; and
- Significant negative industry or economic trends.

If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the asset's fair value less cost to sell or value in use whichever is higher.

The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to be generated from the continued use of the asset. The Group is required to make estimates and assumptions that can materially affect the carrying amount of the asset being assessed.

The Group's nonfinancial assets includes hotel properties (see Note 12). The Group assessed that there is an indication that the hotel properties might be impaired as of December 31, 2023 and 2022 and thus, the Group calculated the hotel properties' recoverable amount. The Group utilized a discounted cash flow model and used certain assumptions (including discount rate, annual average occupancy rate, performance growth rates, and a terminal value) to determine the value in use. The model used (a) projected cash flows for the explicit forecast period of 10 years for 2023 and 2022, (b) a pre-tax discount rate of 8.93% and 11.22% in 2023 and 2022, respectively, and (c) a growth rate of 3% and 5% was applied beyond the 10th year projections in 2023 and 2022, respectively, among others. Based on the impairment testing performed, the Group did not identify any impairment of such property as of December 31, 2023 and 2022. In terms of sensitivity, an impairment loss would have resulted had the growth rate applied was about 1.1% or lower and 4.10% or lower as at December 31, 2023 and 2022, respectively.

The Group did not identify impairment indicators on the other cash generating units of the Group. The aggregate value of other nonfinancial assets such as property and equipment (except for hotel properties), advances to suppliers and contractors, deposit for purchased land, investments in and advances to joint ventures and associate, other assets (excluding rental deposit) and receivables from employees is ₱5,013.86 million and ₱5,458.53 million as of December 31, 2023 and 2022, respectively. No impairment was recognized for these nonfinancial assets as of December 31, 2023 and 2022.

*Recognition of deferred tax assets*
The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces the amounts to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Significant judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future planning strategies. The Group assessed its projected performance in determining the sufficiency of the future taxable income. As of December 31, 2023, and 2022, the Group has unrecognized deferred tax assets amounting to ₱656.13 million and ₱441.08 million, respectively (see Note 27).

## 4. Cash and Cash Equivalents

This account consists of:

| | **2023** | 2022 | 2021 |
|---|---|---|---|
| Cash on hand and in banks | **₱2,187,042,638** | ₱2,043,009,395 | ₱2,607,258,991 |
| Cash equivalents | **1,356,309,321** | 2,087,868,187 | 1,085,815,170 |
| | **₱3,543,351,959** | ₱4,130,877,582 | ₱3,693,074,161 |

Cash in banks earns interest at the prevailing bank deposit rates.

Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term rates ranging from 1.60% to 2.40% and 0.25% to 4.60% in 2023 and 2022, respectively. Interest income on cash and cash equivalents amounted to ₱141.12 million, ₱52.64 million and ₱28.69 million in 2023, 2022 and 2021, respectively (see Note 24).

Cash and cash equivalents amounting to ₱215.56 million are set aside to service certain obligations of the Group as of December 31, 2023.

## 5. Short-term Investments

As of December 31, 2023 and 2022, short-term investments amounted to ₱18.26 million and ₱36.79 million, respectively. Short-term investments include money market placements exceeding 3 months but less than one year. Short-term investments earn at prevailing short-term interest rate ranging from 2.30% to 3.38% in 2023 and 0.90% to 2.125% in 2022. Interest income earned on short-term investments amounted to ₱4.24 million, ₱0.56 million and ₱11.51 million in 2023, 2022 and 2021, respectively (see Note 24).

6. **Receivables**

This account consists of:

| | **2023** | 2022 |
|---|---|---|
| Trade receivables: | | |
| ICR | **₱10,513,080,456** | ₱8,584,320,427 |
| Leasing receivable | **433,567,822** | 450,320,867 |
| Management fees | **191,548,312** | 140,819,720 |
| Receivable from employees and agents | **365,129,483** | 382,869,640 |
| Advances to condominium corporations | **113,681,294** | 104,981,945 |
| Advances to customers | **130,572,262** | 119,638,563 |
| Other receivables | **202,299,203** | 181,080,781 |
| | **11,949,878,832** | 9,964,031,943 |
| Allowance for estimated credit losses for management fees and other receivables | **(34,851,667)** | (9,704,105) |
| | **11,915,027,165** | 9,954,327,838 |
| Noncurrent portion of ICR | **(1,268,850,078)** | (109,043,517) |
| | **₱10,646,177,087** | ₱9,845,284,321 |

ICRs pertain to receivables from the sale of real estate properties. These are collectible in monthly installments over a period of one (1) to five (5) years, bear no interest and with lump sum collection upon project turnover. Titles to real estate properties are not transferred to the buyer until full payment has been made. During the year, the Group recognized additional ICRs in relation to the launch of its new projects.

Details of ICRs are as follows:

| | **2023** | 2022 |
|---|---|---|
| Gross ICR | **₱13,025,131,114** | ₱10,681,177,699 |
| Unamortized discount arising from noninterest-bearing ICR | **(154,892,669)** | (240,441,327) |
| | **12,870,238,445** | 10,440,736,372 |
| Percentage of completion adjustment | **(2,357,157,989)** | (1,856,415,945) |
| Carrying value of ICR | **10,513,080,456** | 8,584,320,427 |
| Non-current portion of ICR | **(1,268,850,078)** | (109,043,517) |
| Current portion of ICR | **₱9,244,230,378** | ₱8,475,276,910 |

*Unamortized discounts*
These ICRs were recorded initially at fair value which is derived using the discounted cash flow model using discount rates ranging from 4.05% to 7.22% and 1.88% to 3.87% in 2023 and 2022, respectively.

Movements in the unamortized discount on ICRs follow:

| | **2023** | 2022 |
|---|---|---|
| Balance at beginning of year | **₱240,441,327** | ₱312,352,957 |
| Additions | **8,200,232** | 37,406,969 |
| Accretion for the year | **(93,748,890)** | (109,318,599) |
| Balance at end of year | **₱154,892,669** | ₱240,441,327 |

Interest income from accretion of unamortized discount on ICRs amounted to ₱93.75 million, ₱109.32 million and ₱180.12 million in 2023, 2022 and 2021, respectively.

Leasing receivables represent the outstanding receivables arising from the lease of commercial centers relating to the Group's mall and offices and are collectible within 30 days from billing date. These are covered by security deposit of tenants' equivalent to two to four-month rental and two to four-month advance rent paid by the lessees. This includes both the fixed and contingent portion of lease. It also includes accrued rental receivable pertains to the effect of straight-line calculation of rental income.

Management fees are revenues arising from property management contracts. These are collectible on a 15-30-day basis depending on the terms of the management service agreement.

Receivable from employees and agents pertains to cash advances for retitling costs and other operational and corporate-related expenses. These are realized within twelve months and bears no interest. It also includes salary and other loans granted to the employees and are recoverable through salary deductions. These are noninterest-bearing and are due and demandable.

Advances to condominium corporations pertain to expenses paid by the Group on behalf of the condominium corporations for various expenses incurred for the projects already turned over. These receivables are due and demandable and bear no interest.

Advances to customers pertain to expenses paid by the Group on behalf of the customers for the taxes and other costs incurred in securing the title in the name of the customers. These receivables are billed separately to the respective buyers and are expected to be collected within one (1) year.

Others, mainly consist of receivables for repairs and installation cost charge to tenants and reimbursement of regulatory payments. In 2023 and 2022, "Others" included receivable from sales of investment property amounting to ₱52.23 million and ₱70.05 million, respectively.

The movements in the allowance for estimated credit losses for receivables are shown below:

| | **2023** | 2022 |
|---|---|---|
| Balance at beginning of year | **₱9,704,105** | ₱8,288,052 |
| Provision, net of reversals (Notes 16 and 21) | **25,147,560** | 1,416,053 |
| Balance at end of year | **₱34,851,665** | ₱9,704,105 |

The allowance for expected credit losses pertain to management fees and other receivables.

*Receivable financing*
The Group entered into various agreements with a local bank whereby the Group assigned its ICRs with recourse at average interest rates ranging from 5.88% to 8.50% and 6.07% to 9.50% in 2023 and 2022, respectively. The assignment agreements provide that the Group will substitute defaulted CTS with other CTS of equivalent value.

The Group retains the assigned receivables in the consolidated financial statements since the Group retains the risks and rewards related to these receivables. The Group records the proceeds from these assignments as long-term debt. The gross amount of ICRs used as collateral amounted to ₱921.96 million and ₱1,303.15 million as of December 31, 2023 and 2022, respectively (see Note 17).

## 7. Real Estate Inventories

This account consists of:

| | **2023** | 2022 |
|---|---|---|
| Condominium units | **₱11,449,852,612** | ₱11,751,816,204 |
| Residential house and lots | **6,352,878,859** | 5,192,943,484 |
| Land held for future developments | **1,029,503,732** | 778,637,876 |
| | **₱18,832,235,203** | ₱17,723,397,564 |

The roll-forward of this account follows:

| | **2023** | 2022 |
|---|---|---|
| Balance at beginning of year | **₱17,723,397,564** | ₱16,143,099,068 |
| Construction costs incurred | **4,103,984,361** | 4,028,718,661 |
| Purchase of land | **1,708,076,167** | 1,905,092,486 |
| Borrowing costs capitalized (Note 17) | **157,112,951** | 214,146,276 |
| Transfers from investment properties (Note 11) | **–** | 1,039,604,760 |
| Transfers from property and equipment (Note 12) | **1,152,684,987** | – |
| Cost of real estate sales | **(6,013,020,827)** | (5,607,263,687) |
| Balance at end of year | **₱18,832,235,203** | ₱17,723,397,564 |

General and specific borrowings were used to finance the Group's ongoing real estate projects. The related borrowing costs were capitalized as part of real estate inventories. The capitalization rate used in 2023 and 2022 are 1.40% and 1.82%, respectively, for general borrowing costs.

Real estate inventories recognized as "Cost of real estate sales" amounted to ₱6,013.02 million, ₱5,607.26 million and ₱4,808.42 million in 2023, 2022 and 2021, respectively.

In 2023, the Group purchased land in Batangas, Bacolod and Nueva Ecija which will be developed into a residential house and lot to be held for sale with amount totaling to ₱1,708.07 million. The related deposit on land amounting to ₱297.69 million were applied as the payment for the purchase of land (see Note 9).

In 2022, the Group purchased land in Katipunan, Quezon City which will be developed into a condominium project to be held for sale in the future amounting to ₱526.90 million. The related advances to landowners amounting ₱419.23 million and deposit for purchased land amounting to ₱30.16 million were applied as part of the payment for the purchase of land (see Notes 9 and 13).

In 2022, the Group affordable segment also purchase land in Bataan intended for development of residential house and lot amounting to ₱1,378.12 million.

The carrying values of real estate inventories mortgaged for trust receipts payables and bank loans amounted to ₱2,296.48 million and ₱1,281.94 million as of December 31, 2023 and 2022, respectively (see Note 17).

## 8. Advances to Suppliers and Contractors

Advances to suppliers and contractors amounting to ₱1,661.85 million and ₱1,749.97 million as of December 31, 2023 and 2022, respectively, are capitalized as part of real estate inventories when the materials have been delivered or services have been rendered by the suppliers and contractors, respectively. These advances are intended for the construction of the Group's real estate inventories.

## 9. Deposits for Purchased Land

This account consists of refundable deposits made to property owners for the acquisition of parcels of land in which the use is currently undetermined. Deposits for purchased land amounted to ₱1,116.79 million and ₱1,409.48 million as of December 31, 2023 and 2022, respectively.

In 2023 and 2022, the Group made additional deposits to property owners for the acquisitions of parcels of land located in Novaliches amounting to ₱5.00 million and ₱80.83 million, respectively.

As disclosed in Note 7, the Group purchased various parcels of land during 2023 and 2022. As a result, the Group applied the related deposit for purchased land amounting to ₱297.69 million and ₱30.16 million, respectively, as part of the payment for the purchased land.

## 10. Investments in and Advances to Joint Ventures and Associate

The Group's investments in joint ventures and associate are shown below:

| | **2023** | 2022 |
|---|---|---|
| **Joint ventures:** | | |
| One Pacstar Realty Corporation (One Pacstar) | **₱227,112,884** | ₱222,562,484 |
| Two Pacstar Realty Corporation (Two Pacstar) | **42,210,386** | 44,804,720 |
| **Associate:** | | |
| Asian Breast Center (ABC) | **7,999,900** | 7,999,900 |
| | **₱277,323,170** | ₱275,367,104 |
| Acquisition cost | **₱404,033,094** | ₱404,033,094 |
| Accumulated equity in net losses | | |
| Balance at beginning of year | **(125,610,990)** | (129,528,690) |
| Share in net earnings | **1,956,066** | 3,917,700 |
| Balance at end of year | **(123,654,924)** | (125,610,990) |
| Allowance for impairment loss | **(3,055,000)** | (3,055,000) |
| | **₱277,323,170** | ₱275,367,104 |

*Investments in One Pacstar Realty Corporation and Two Pacstar Realty Corporation*
On October 22, 2014, CLC entered into an agreement with La Costa Development Corporation, Inc. (La Costa) to take out the loan of La Costa with Union Bank of the Philippines in its name and for its sole account. For and in consideration of the loan take out, La Costa transferred, ceded, and conveyed 196,250 shares of One Pacstar and 42,250 shares of Two Pacstar.

Provisions in the agreement grant CLC to vote using the owned shares in the meetings of the stockholders of One Pacstar and Two Pacstar. The Group currently owns 50% of the total voting shares with the remaining 50% owned by La Costa for both One Pacstar and Two Pacstar. This resulted in the two companies having joint control over One Pacstar and Two. The primary purpose of One Pacstar and Two Pacstar is to acquire, own, lease, and manage lands and all other kinds of real estate properties.

One Pacstar and Two Pacstar's principal place of business is 5th Floor, Pacific Star Building, High Rise Tower, Gil Puyat cor. Makati Avenue, Makati City.

Following are the significant financial information of the joint ventures as of December 31, 2023 and 2022 and for the years then ended (in millions):

| | **2023** | 2022 |
|---|---|---|
| Total assets | **₱867** | ₱864 |
| Total liabilities | **304** | 302 |
| Total revenue | **7** | 12 |
| Total expenses | **2** | 2 |

The Group recognized share in net earnings of the joint ventures amounting to ₱1.96 million, ₱3.92 million and ₱8.94 million in 2023, 2022 and 2021, respectively.

In 2022, the BOD of A2 Global approved the commencement of its liquidation, consequently the Group has written off its investments amounting to ₱3.06 million.

*Investment in Asian Breast Center, Inc. (ABC)*
On January 7, 2016, the Group acquired 79,999 shares in ABC with an acquisition price of ₱8.00 million, for a 16.00% ownership. ABC has five (5) directors, one from the Group and four from ABC. Because the Group only has significant influence, this arrangement is considered as an investment in associate and is measured using the equity method.

The primary purpose of ABC is to provide comprehensive ambulatory care for women afflicted with any form of breast disease, including prevention, early detection, early diagnosis, and treatment. ABC's principal place of business is 8th Floor, Centuria Medical Makati, Kalayaan Avenue, Makati City.

The Group has not incurred any contingent liabilities as at December 31, 2023 and 2022 in relation to its interest in the joint ventures and associate, nor do the joint ventures and associate themselves have any contingent liabilities for which the Group is contingently liable. The Group has not entered into any capital commitments in relation to its interest in the joint ventures and associate and did not receive any dividends from the joint ventures and associate.

## 11. Investment Properties

The Group's investment properties consist of commercial properties currently being leased out. Commercial properties include office buildings and retail mall located in key cities and municipalities in the Philippines.

Movements in this account are as follows:

| | **2023** | 2022 |
|---|---|---|
| **Cost:** | | |
| Balance at beginning of year | **₱8,343,741,289** | ₱9,962,422,883 |
| Construction costs incurred | **–** | 13,448,339 |
| Sale of property | **–** | (22,256,511) |
| Transfer to property and equipment (Note 12) | **–** | (556,820,321) |
| Transfer to real estate inventories (Note 7) | **–** | (1,053,053,101) |
| Balance at end of year | **8,343,741,289** | 8,343,741,289 |
| **Change in fair value:** | | |
| Balance at beginning of year | **4,051,238,721** | 4,032,608,471 |
| Sale of property | **–** | (9,615,488) |
| Gain from change in fair value of investment property | **26,929,080** | 28,245,738 |
| Balance at end of year | **4,078,167,801** | 4,051,238,721 |
| | **₱12,421,909,090** | ₱12,394,980,010 |

In 2023, 2022 and 2021, the Group recognized leasing revenue from the use of the said real properties amounting to ₱1,293.12 million, ₱1,362.47 million and ₱1,200.36 million, respectively, and incurred direct cost of leasing amounting to ₱438.49 million, ₱440.82 million and ₱352.04 million, respectively, in relation to these investment properties.

The carrying values of investment properties mortgaged for trust receipts payables and bank loans amounted to ₱8,444.03 million and ₱8,415.78 million as of December 31, 2023 and 2022, respectively (see Note 17).

In 2022 and 2021, the Group sold portion of its medical office at a loss amounting to ₱0.82 million and ₱34.13 million, respectively (see Note 24). The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancement, other than those already reflected or disclosed in the consolidated financial statements.

The Group recorded gain on fair value of investment properties amounting to ₱26.93 million, ₱28.25 million and ₱225.50 million in 2023, 2022 and 2021, respectively.

Investment properties are stated at fair value, which has been determined based on valuations performed by a SEC-accredited independent valuer as of December 31, 2023 and 2022.

For the Group's leasing properties, the Group adopted the discounted cash flow analysis which considers the future cash flows from lease contracts. The fair value of the investment properties classified as buildings and land in the consolidated financial statements is categorized within Level 3 of the fair value hierarchy.

The key assumptions used to determine the fair value of the investment properties and sensitivity analyses are as follows:

| Property | Valuation technique | Significant unobservable inputs | Range | |
|---|---|---|---|---|
| | | | **2023** | 2022 |
| Land and Buildings | DCF | Discount rates for similar lease contracts, market rent levels, expected vacancy and expected maintenance. | **Discount rate – 10.30% to 11.80%** | Discount rate - 11.26 % to 12.48% |
| | | | **Market rent levels - ₱400 to ₱1,500/sqm per month** | Market rent levels - ₱400 to ₱1,500/sqm per month |
| | | | **Expected vacancy - 5% to 30%;** | Expected vacancy - 5% to 45% |
| | | | **Expected maintenance - 1% to 5% of gross revenue** | Expected maintenance - 2% to 10% of gross revenue |

For DCF, significant increases (decreases) in estimated market rent levels and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the investment properties. Significant increases (decreases) in the expected vacancy rate and discount rate in isolation would result in a significantly lower (higher) fair value.

## 12. Property and Equipment

The composition and movements of this account are as follows:

| | 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Office Furniture and Equipment** | **Transportation Equipment** | **Leasehold Improvements** | **Construction Equipment** | **Building** | **Right-of-use Assets** | **Total** |
| Cost | | | | | | | |
| At January 1 | **₱211,975,833** | **₱65,753,463** | **₱118,430,057** | **₱251,492,426** | **₱2,352,409,555** | **₱87,865,463** | **₱3,087,926,797** |
| Additions | **24,378,906** | **–** | **10,258,608** | **48,882,308** | **–** | **27,764,862** | **111,284,684** |
| Disposal | **–** | **(6,903,706)** | **–** | **–** | **–** | **–** | **(6,903,706)** |
| Transfer to real estate inventories (Note 7) | **–** | **–** | **–** | **–** | **(1,152,684,987)** | **–** | **(1,152,684,987)** |
| At December 31 | **236,354,739** | **58,849,757** | **128,688,665** | **300,374,734** | **1,199,724,568** | **115,630,325** | **2,039,622,788** |
| Accumulated Depreciation | | | | | | | |
| At January 1 | **155,422,310** | **59,074,001** | **78,606,246** | **251,492,426** | **–** | **59,016349** | **603,611,332** |
| Depreciation | **22,865,768** | **1,673,626** | **7,925,626** | **3,664,847** | **18,845,605** | **15,182,531** | **70,158,003** |
| Disposal | **–** | **(6,903,706)** | **–** | **–** | **–** | **–** | **(6,903,706)** |
| At December 31 | **178,288,078** | **53,843,921** | **86,531,872** | **255,157,273** | **18,845,605** | **74,198,880** | **666,865,629** |
| Net Book Values at December 31 | **₱58,066,661** | **₱5,005,836** | **₱42,156,793** | **₱45,217,461** | **₱1,180,878,963** | **₱41,431,445** | **₱1,372,757,159** |

| | 2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Office Furniture and Equipment | Transportation Equipment | Leasehold Improvements | Construction Equipment | Construction - in -Progress | Building | Right-of-use Assets | Total |
| Cost | | | | | | | | |
| At January 1 | ₱179,133,503 | ₱64,588,284 | ₱80,459,530 | ₱251,492,426 | ₱1,707,342,137 | ₱– | ₱87,865,463 | ₱2,370,881,343 |
| Additions | 32,842,330 | 1,165,179 | 37,970,527 | – | 88,247,097 | – | – | 160,225,133 |
| Transfer from Investment Property (Note 11) | – | – | – | – | 556,820,321 | – | – | 556,820,321 |
| Transfer to Building | – | – | – | – | (2,352,409,555) | 2,352,409,555 | – | – |
| At December 31 | 211,975,833 | 65,753,463 | 118,430,057 | 251,492,426 | – | 2,352,409,555 | 87,865,463 | 3,087,926,797 |
| Accumulated Depreciation | | | | | | | | |
| At January 1 | 140,875,376 | 57,800,457 | 71,753,066 | 251,492,426 | – | – | 33,123,849 | 555,045,174 |
| Depreciation | 14,546,934 | 1,273,544 | 6,853,180 | – | – | – | 25,892,500 | 48,566,158 |
| At December 31 | 155,422,310 | 59,074,001 | 78,606,246 | 251,492,426 | – | – | 59,016349 | 603,611,332 |
| Net Book Values at December 31 | ₱56,553,523 | ₱6,679,462 | ₱39,823,811 | ₱– | ₱– | ₱2,352,409,555 | ₱28,849,114 | ₱2,484,315,465 |

Property and equipment include Building that pertains to the following:

- 152 CALC owned units in Novotel Suites Manila at Acqua 6 Tower of Acqua Private Residences amounting to ₱642.90 million and ₱635.20 million as of December 31, 2023 and 2022, respectively

- 158 units CLC owned units in Novotel Suites Manila at Acqua 6 Tower of Acqua Private Residences amounting to ₱1,52.68 million as of December 31, 2022.

  In 2023, the Group, as approved by the BOD, decided to reclassify its 158 units in Novotel Suites Manila at Acqua 6 with a total cost of 1,152.68 million from the hotel pool to residential units for sale.

- The Pebble (four-storey waterfront clubhouse) of Acqua Private Residences amounted to ₱556.82 million and ₱545.68 million as of December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, there are no restrictions on the items of property and equipment of the Group and none of these are pledged as security for the Group's obligations.

The depreciation and amortization of property and equipment in 2023, 2022 and 2021 are recognized as follows:

| | **2023** | 2022 | 2021 |
|---|---|---|---|
| General, administrative, and selling expenses (see Note 21) | **₱70,158,003** | ₱48,566,158 | ₱60,455,533 |

There is no interest expense or borrowing cost capitalized for Property and Equipment in 2023, 2022 and 2021.

## 13. Other Assets

This account consists of:

| | **2023** | 2022 |
|---|---|---|
| Current: | | |
| Prepaid commissions | **₱689,553,895** | ₱823,634,164 |
| Input taxes | **480,309,960** | 374,339,654 |
| Creditable withholding taxes | **333,995,593** | 360,268,502 |
| Prepaid expenses | **122,770,169** | 60,422,350 |
| Deferred financing cost | **19,978,705** | – |
| Others | **33,283,294** | 23,378,298 |
| | **₱1,679,891,616** | ₱1,642,042,968 |
| Noncurrent: | | |
| Prepaid commissions | **₱80,921,110** | ₱397,465,932 |
| Creditable withholding taxes | **330,156,449** | 243,553,449 |
| Advances to landowners | **259,024,174** | 259,024,174 |
| Rental deposits (Note 28) | **94,247,911** | 95,958,665 |
| Input taxes | **93,892,220** | 55,864,797 |
| Intangible assets | **43,311,171** | 42,342,033 |
| Others | **29,865,318** | 26,815,299 |
| | **₱931,418,353** | ₱1,121,024,349 |

Prepaid commissions pertain to capitalized commission expenses payable to its agents on the sale of its real estate projects related to contracts that have qualified for revenue recognition. These will be recognized as commission expense under "General, administrative and selling expenses" in the period in which the related real estate sales are recognized. This also includes prepayments to Century Integrated Sales, Inc. (CISI) for future services of CISI in relation to managing the Group's sales activities which amounted to nil and ₱123.31 million as of December 31, 2023 and 2022, respectively (see Note 16).

Input taxes are fully realizable and will be applied against output VAT.

Creditable withholding taxes are attributable to taxes withheld by third parties arising from real estate sale, property management fees and leasing revenues.

Advances to landowners pertains to the initial payment made by the Group, in accordance to its memorandum of agreement to acquire 56 hectares of property to developed a beach style lifestyle destination in the Municipality of Palawan. The total advances paid for the property amounted to ₱259.02 million as of December 31, 2023 and 2022.

Prior to 2022, advances to landowners, also included advances made by the Group for the purchase of land which will be developed into a condominium project to be held for sale in the future amounting to ₱419.23 million. The title of the said land was also transferred to Group in 2022 and the related advances were applied as part of the payment for the purchase of land (see Notes 7 and 9).

Rental deposits mostly pertain to security deposits held and applied in relation to the Group's lease contracts for its administrative and sales offices. The deposits are noninterest-bearing and are recoverable through application of rentals at the end of the lease term (see Note 29).

Intangible assets include software costs and trademarks. Software cost includes application software and intellectual property licenses owned by the Group. Trademarks are licenses acquired separately by the Group. These licenses arising from the Group's marketing activities have been granted for a minimum of 10 years by the relevant government agency with the option to renew at the end of the period at little or no cost to the Group. Previous licenses acquired have been renewed and enabled the Group to determine that these assets have an indefinite useful life. The related amortization is charged to expense as "Depreciation and amortization" in the "General, administrative and selling expenses" account amounting to ₱11.72 million, ₱7.42 million and ₱7.12 million in 2023, 2022 and 2021, respectively (see Note 21). Additions to software amounted to ₱12.69 million and nil in 2023 and 2022, respectively.

## 14. Accounts and Other Payables

This account consists of:

| | 2023 | 2022 |
|---|---|---|
| Accounts payable | **₱2,602,712,570** | ₱1,932,462,937 |
| Accrued expenses | | |
| Commissions | **383,675,714** | 450,024,271 |
| Salaries | **293,062,052** | 306,878,946 |
| Taxes | **114,340,108** | 85,133,881 |
| Interest | **24,301,440** | 50,998,859 |
| Others | **10,322,971** | 95,121,839 |
| Customers' advances | **2,367,510,254** | 1,651,799,539 |
| Retention payable | **399,446,373** | 307,624,517 |
| Dividends payable | **–** | 52,980,641 |
| Other payables | **24,193,790** | 61,667,478 |
| | **₱6,219,565,272** | ₱4,994,692,908 |

Accounts payable are attributable to the construction costs incurred by the Group. These are noninterest-bearing and with terms of 15 to 90 days.

Customers' advances pertain to funding from buyers of real estate for future application against transfer and registration fees and other taxes to be incurred upon transfer of properties to the buyer. The movement of customers' advances is mainly due to advance payment of buyers less fees incurred for the turned over properties.

Retention payable is noninterest-bearing and is normally settled on a 30-day term upon completion of the relevant contracts.

Others under "Accrued expenses" consist mainly of utilities, marketing costs, professional fees, communication, transportation and travel, security, insurance, taxes and representation.

## 15. Contract Liabilities

Contract liabilities consist of collections from real estate customers which have not qualified for revenue recognition and excess of collections over the recognized receivables based on percentage of completion. The movement in contract liability is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold and from increase in percentage of completion. As of December 31, 2023 and 2022, carrying values of contract liabilities amounted to ₱3,873.08 million and ₱2,769.10 million, respectively.

## 16. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

Terms and Conditions of Transactions with Related Parties

The Group in their regular conduct of business has entered into transactions with related parties principally consisting of advances and reimbursement of expenses, development, management, marketing, leasing and administrative service agreements and purchases which are made at normal market prices. Outstanding balances at year-end are unsecured and noninterest-bearing. There have been no guarantees provided or received for any related party receivables or payables. Related party transactions are settled in cash.

The Group has material related party transactions policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

The Group has an approval requirement such that material related party transactions shall be reviewed by the Related Party Transactions Committee (the Committee) and endorsed to the BOD for approval. Material related party transactions are those transactions that meet the threshold value as approved by the Committee amounting to ₱50.0 million and other requirements as may be recommended by the Committee.

The related party transactions are shown under the following accounts in the consolidated financial statements:

## Due from Related Parties

| | Outstanding balances | | Amount of transactions | | Terms and Conditions |
|---|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 | |
| Ultimate Parent | **₱866,610,929** | ₱270,437,913 | **₱596,173,016** | ₱55,724,177 | |
| Officers and stockholders | **230,977,152** | 223,177,152 | **7,800,000** | 30,914,494 | |
| **Under common control** | | | | | Noninterest bearing, due and demandable, unsecured, no impairment |
| CISI | **450,659,309** | 450,659,309 | **–** | 361,859,660 | |
| CGIC | **77,093** | 77,093 | **507** | 26,111 | |
| CRIT | **507** | 10,821 | **(10,314)** | (13,372) | |
| **Entity managed by a related party** | | | | | |
| CAC | **17,918,763** | 30,960,415 | **(13,041,653)** | 13,251,147 | |
| Centuria Pharma | – | – | – | (13,402,348) | |
| | **₱1,566,243,753** | ₱975,322,703 | **₱590,921,556** | ₱448,359,869 | |

## Due to Related Parties

| | Outstanding balance | | Amount of transaction | | Terms and Conditions |
|---|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 | |
| Ultimate Parent | **₱243,861,878** | ₱237,284,750 | **₱6,577,128** | ₱1,581,435 | Noninterest bearing, due and demandable, unsecured |
| CGIC | **456,360** | 456,360 | **–** | 456,360 | |
| Officers and stockholders | **139,778,855** | 120,319,516 | **19,459,339** | 38,664,097 | |
| | **₱384,097,093** | ₱358,060,626 | **₱26,036,467** | ₱40,701,892 | |

The related party transactions that are eliminated during consolidation follow:

**Due from Related Parties**

| | Outstanding balance | | Amount of transaction | | Terms and Conditions |
|---|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 | |
| **Parent Company** | | | | | |
| CPGI | **₱10,065,843,663** | ₱9,064,111,278 | **₱1,001,732,385** | (₱1,381,974,857) | Noninterest bearing, due and demandable, unsecured, no impairment |
| **Subsidiaries:** | | | | | |
| CLC | **919,775,362** | 627,336,705 | **292,438,657** | 105,166,213 | |
| PPHI | **810,621,487** | 251,778,440 | **558,843,047** | 180,300,355 | |
| CCDC | **5,708,043,800** | 5,860,822,133 | **(152,778,333)** | 2,464,278,925 | |
| CCC | **50,000** | – | **50,000** | | |
| CPMI | **49,347,739** | 28,887,209 | **20,460,530** | 11,652,472 | |
| | **₱17,553,682,051** | ₱15,832,935,765 | **₱1,720,746,286** | ₱1,379,423,108 | |

**Due to Related Parties**

| | Outstanding balance | | Amount of transaction | | Terms and Conditions |
|---|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 | |
| **Parent Company** | | | | | |
| CPGI | **₱286,846,959** | ₱587,172,368 | **(₱300,325,409)** | ₱533,182,289 | |
| **Subsidiaries:** | | | | | Noninterest bearing, due and demandable, unsecured |
| CLC | **9,280,293,925** | 7,312,572,120 | **1,967,721,805** | 210,751,714 | |
| PPHI | **10,126,762** | 5,110,917 | **5,015,845** | 862,766 | |
| CCDC | **6,466,358,204** | 6,440,626,413 | **25,731,791** | 531,617,140 | |
| CCC | **1,232,573,042** | 1,211,347,545 | **21,225,497** | 78,676,165 | |
| CPMI | **23,597,970** | 22,295,605 | **1,302,365** | 20,308,290 | |
| CDLC | **253,885,189** | 253,810,797 | **74,392** | 4,024,744 | |
| | **₱17,553,682,051** | ₱15,832,935,765 | **₱1,720,746,286** | ₱1,379,423,108 | |

Significant transactions of the Group with related parties are described below:

Due from related parties pertains to advances provided by the Group to the stockholders and other affiliates.

Due to related parties pertains to advances made by the Group to its affiliates and stockholders for their respective capital expenditures. These are generally noninterest-bearing and are due and demandable.

In 2023, CPMI wrte-off its advances to Centuria Pharma Group, Inc. amounting to ₱12.83 million (see Note 21).

*Management agreement*

In 2018, the Group contracted CISI to manage all of its sales and marketing activities. CISI is a wholly owned subsidiary of CPI. Prepayments to CISI for initial marketing services recognized under "Other current assets" account as of December 31, 2023 and 2022 amounted to nil and ₱123.31 million, respectively (see Note 13). As of December 31, 2023, the management contract was temporarily put on hold by both parties to revisit sales and marketing strategies.

*Key management compensation*
The key management personnel of the Group include all directors, executive, and senior management. The details of compensation and benefits of key management personnel in 2023, 2022 and 2021 follow:

| | **2023** | 2022 | 2021 |
|---|---|---|---|
| Short-term employee benefits | **₱115,183,326** | ₱108,663,515 | ₱94,490,013 |
| Post-employment benefits | **5,759,242** | 5,433,247 | 4,724,563 |
| | **₱120,942,568** | ₱114,096,762 | ₱99,214,576 |

## 17. Short-term and Long-term Debts

Short-term Debts
The rollforward of the Group's short-term debts follows:

| | **2023** | | | 2022 | | |
|---|---|---|---|---|---|---|
| | **Trust receipts** | **Bank loans** | **Total** | Trust receipts | Bank loans | Total |
| Beginning balance | **₱235,141,310** | **₱–** | **₱235,141,310** | ₱468,360,083 | ₱– | ₱468,360,083 |
| Availments | **181,828,504** | **852,000,000** | **1,033,828,504** | 658,904,094 | – | 658,904,094 |
| Repayments | **(391,305,343)** | **(86,000,000)** | **(477,305,343)** | (892,122,867) | – | (892,122,867) |
| Ending balance | **₱25,664,471** | **₱766,000,000** | **₱791,664,471** | ₱235,141,310 | ₱– | ₱235,141,310 |

*Trust receipts*
Trust receipts (TRs) are facilities obtained from various banks to finance purchases of construction materials the Group's projects. The TRs have average interest rates ranging from 6.62% to 8.00% and 5.72% to 6.62% in 2023 and 2022, respectively. These are paid monthly or quarterly in arrears with full payment of principal balance at maturity of one year and with an option to prepay.

*Bank loans*
Bank loans pertain to the following various short-term promissory note (PN) obtained by the Group:

- From June to September 2023, the Group availed of short-term PNs from Philippine National Bank (PNB) totaling to ₱342.00 million with interest rates ranging from 6.70% to 7.15%, which is payable monthly until full payment. In 2023, the Parent Company made repayments amounting ₱86.00 million.

- In 2023, the Group availed of a short-term PN facility with Philtrust Bank with total amount of ₱465.00 million with an interest rate of 8.00% per annum, which is payable monthly until full payment or renewal annually.

- In 2023, the Group availed of a short-term PN facility with Chinabank Saving Bank with total amount of ₱30.00 million with an interest rate of 8.38% per annum, which is payable monthly until full payment.

- In 2023, the Group availed of a short-term PN facility with Bank of the Philippine Islands with total amount of ₱15.00 million with an interest rate of 7.75% per annum, which is payable monthly until full payment or renewal annually.

Long-term Debt

As of December 31, 2023 and 2022, this account consists of:

| | **2023** | 2022 |
|---|---|---|
| Long-term debt: | | |
| Bank loans | **₱9,045,691,229** | ₱9,012,998,322 |
| Payable under CTS financing | **1,306,542,403** | 1,992,662,424 |
| Car loan financing | **–** | 654,796 |
| | **10,352,233,632** | 11,006,315,542 |
| Less current portion | **3,851,897,104** | 2,192,453,618 |
| Noncurrent portion | **₱6,500,336,528** | ₱8,813,861,924 |

The roll-forward of the Group's long-term debt is as follows:

| | **2023** | | | |
|---|---|---|---|---|
| | **Bank Loans** | **CTS Financing** | **Car Loan Financing** | **Total** |
| **Principal:** | | | | |
| Balances at beginning of year | **₱9,073,938,425** | **₱1,992,662,425** | **₱654,796** | **₱11,067,255,646** |
| Addition | **1,900,000,000** | **679,269,259** | **–** | **2,579,269,259** |
| Payments | **(1,866,426,429)** | **(1,365,389,281)** | **(654,796)** | **(3,232,470,506)** |
| Balances at end of year | **9,107,511,996** | **1,306,542,403** | **–** | **10,414,054,399** |
| **Deferred financing costs:** | | | | |
| Balances at beginning of year | **60,940,103** | – | – | **60,940,103** |
| Addition | **27,140,500** | – | – | **27,140,500** |
| Amortization | **(26,259,836)** | – | – | **(26,259,836)** |
| Balances at end of year | **61,820,767** | – | – | **61,820,767** |
| **Carrying values** | **₱9,045,691,229** | **₱1,306,542,403** | **–** | **₱10,352,233,632** |

| | 2022 | | | |
|---|---|---|---|---|
| | Bank Loans | CTS Financing | Car Loan Financing | Total |
| **Principal:** | | | | |
| Balances at beginning of year | ₱9,031,728,633 | ₱2,891,444,012 | ₱3,501,544 | ₱11,926,674,189 |
| Addition | 5,298,744,131 | 818,702,217 | – | 6,117,446,348 |
| Payments | (5,256,534,339) | (1,717,483,805) | (2,846,748) | (6,976,864,892) |
| Balances at end of year | 9,073,938,425 | 1,992,662,424 | 654,796 | 11,067,255,645 |
| **Deferred financing costs:** | | | | |
| Balances at beginning of year | 88,066,839 | – | – | 88,066,839 |
| Addition | 46,897,795 | – | – | 46,897,795 |
| Amortization | (74,024,531) | – | – | (74,024,531) |
| Balances at end of year | 60,940,103 | – | – | 60,940,103 |
| **Carrying values** | ₱9,012,998,322 | ₱1,992,662,424 | ₱654,796 | ₱11,006,315,542 |

*Bank Loans*
Bank loans pertains to the following various long-term debt availed by the Group:

| Date of availment | **2023 (in millions)** | 2022 (in millions) | Maturity | Interest Rate |
|---|---|---|---|---|
| November 2023, | **₱1,500** | ₱– | November 2028 | 8.06%, Fixed up to 2 years only; Repricing on November 2025 |
| January - December 2023 | **400** | – | Various maturities until July 2026 | 8.21%-9.08%; Quarterly repricing |
| August and October 2022 | **3,894** | 3,984 | October 2027 | 7.39%; Fixed up to 2 years only; Quarterly repricing by Aug 2024 |
| October 2019 | **2,434** | 2,853 | September 2024 | 7.75%; Semi-annual repricing |
| July and September 2021 | **1** | 535 | March 2024 | 5.25%; Fixed until maturity |
| December 2022 | **427** | 500 | September 2026 | 8.50%; Annual repricing |
| May 2021 | **202** | 274 | May 2025 | 4.65%; Annual repricing |
| September - October 2019 | **250** | 535 | September 2024 | 8.75%; Annual repricing |
| September 2019 and 2022 | – | 393 | Various maturities until September 2023 | 8.00% Quarterly repricing |
| | **₱9,108** | ₱9,074 | | |

Interest and principal payments are payable on a quarterly basis for all of the above bank loans.

*CTS financing*
CTS financing pertains to loan facilities which were used in the construction of the Group's real estate development projects. The related PNs have terms ranging from twelve (12) to forty-eight (48) months and are secured by the buyer's post-dated checks, the corresponding CTS, and parcels of land held by the Parent Company. The Group retained the assigned ICRs and recorded the proceeds from these assignments as "Long-term debt". These CTS loans bear fixed interest rates ranging from 5.88% to 8.50% and 6.07% to 9.50% as December 31, 2023 and December 31, 2022, respectively (see Note 6).

Security and Debt Covenants
Certain bilateral, trust receipts, payables under CTS financing and bank loans have mortgaged real estate inventories and assigned ICRs and contract assets wherein such assets can no longer be allowed to be separately used as collateral for another credit facility, grant loans to directors, officers and partners, and act as guarantor or surety in favor of banks. As of December 31, 2023 and 2022, the carrying values of these assets mortgaged for trust receipts, payables under CTS financing and bank loans are as follows:

| | **2023** | 2022 |
|---|---|---|
| Real estate inventories | **₱2,296,480,207** | ₱1,281,943,917 |
| ICR | **921,957,349** | 1,303,147,610 |
| Investment properties | **8,444,029,839** | 8,415,779,604 |

Certain bilateral loans have covenants to maintain a debt-to-equity ratio of not more than 2.33x and a debt service coverage ratio of at least 1.5x and current ratio of 1.2x. Debt includes note payables, short term and long-term debt. The bank loans have a covenant, specific to the projects it is financing, of having loan to security value of no more than 50% to 60%. Security value includes, among other things, valuation appraisal by independent appraisers and takes into account the sold and unsold sales and market value of the properties. The loan agreements require submission of the valuation of each mortgage properties on an annual basis or upon request of the facility agent. As of December 31, 2023 and 2022, the Company complied with the provisions of its debt covenants.

Under the term loan agreement with CBC, the Parent Company pledged its shares over CCDC II amounting to ₱1,900.00 million. The Pledged Shares include the following:

- the Acquisition Shares, including the Directors' Shares, and the After Acquired Shares and all the rights, title and interest of any kind or character therein, together with all accessory contracts in relation thereto;
- all rights, benefits, dividends, loss proceeds, indemnities, insurance payments, and other payments received by or due to the Security Grantor in lieu of, or inherent to, or in connection with, the Pledged Shares; and
- all Property of every nature and description whether now owned or hereafter acquired as proceeds for, in exchange for, in substitution of, or replacement of any of the Pledged Shares.

Borrowing Costs

- Borrowing cost capitalized amounted to ₱157.11 million and ₱214.15 million for the years ended December 31, 2023, and 2022, respectively (see Note 7).

Interest Expense and Other Finance Charges

- Interest and other financing charges for the short-term and long-term debts for the years ended December 31, 2023, 2022 and 2021 totaled to ₱632.90 million, ₱399.02 million and ₱386.31 million, respectively (see Note 25).

## 18. **Liabilities from Purchased Land**

This account pertains to the outstanding payable of the Group for the cost of land purchases recognized under "Real estate inventories" as follows:

| | **2023** | 2022 |
|---|---|---|
| Current | **₱49,484,077** | ₱67,200,000 |
| Noncurrent | – | 63,782,533 |

19. **Bonds Payable**

This account consists of the following:

| | **December 31, 2023 (Unaudited)** | December 31, 2022 (Audited) |
|---|---|---|
| Principal | | |
| Balances at the beginning of year | **₱6,000,000,000** | ₱6,000,000,000 |
| Addition | **3,000,000,000** | 3,000,000,000 |
| Repayment | **–** | (3,000,000,000) |
| | **9,000,000,000** | 6,000,000,000 |
| Deferred financing cost: | | |
| Balances at the beginning of year | **82,746,077** | 52,804,571 |
| Addition | **82,114,920** | 69,907,011 |
| Amortization | **(42,298,101)** | (39,965,505) |
| Balances at the end of period | **122,562,896** | 82,746,077 |
| Carrying value | **8,877,437,104** | 5,917,253,923 |
| Less: Current portion | **3,000,000,000** | – |
| Non-current portion | **₱5,877,437,104** | ₱5,917,253,923 |

On March 3, 2023, the Certificate of Permit to Offer Securities for Sale was approved by the Securities and Exchange Commission relative to the Parent Company's Second Tranche Offer of Fixed Rate Retail Bonds consisting of up to Two Billion Pesos (₱2,000,000,000) with an Over-subscription Option of up to One Billion Pesos (₱1,000,000,000), worth of Fixed Rate Bonds comprising of 6.5760% per annum three (3) year fixed rate bonds ("Series A Bonds"), 7.4054% per annum five (5) year fixed rate bonds ("Series B Bonds") and 7.6800% per annum seven (7) year fixed rate bonds ("Series C Bonds"), under its Six Billion Pesos (₱6,000,000,000) Debt Securities Program Shelf Registration. This bond was listed at the PDEx on March 17, 2023. The bonds are rated "AA+" by Credit Rating and Investor Services Philippines Inc. (CRISP). Total debt issue costs amounted to ₱82.11 million and were capitalized as debt issue costs to be amortized over the life of the bonds.

On February 11, 2022, the Securities and Exchange Commission approved the application of the Parent Company's Shelf Registration of Debt Securities in the aggregate amount of Six Billion Pesos (₱6,000,000,000) to be offered within a period of 3 years or such period as Securities and Exchange Commission may allow at an Issue Price of 100% of Face Value. The First Tranche of the Fixed Rate Retail Bonds is Two Billion Pesos (₱2,000,000,000) with an Oversubscription Option of up to One Billion Pesos (₱1,000,000,000) Five (5)-Year Fixed Retail Bonds due 2027.

On February 24, 2022, the Parent Company listed at the PDEx its five-year bonds, with interest rates of 5.7524%% p.a. The bonds are rated "AA" by Credit Rating and Investor Services Philippines Inc. (CRISP).

On April 15, 2019, CPGI listed at the PDEx its three-year bonds, with interest rates of 7.8203% p.a. The ₱3.00 billion proceeds of the bonds will be used to partially finance development costs for CPGI's affordable housing and townhome projects. The bonds are rated "AA" by Credit Rating and Investor Services Philippines Inc. (CRISP). In 2022, the said three-year bonds amounting to ₱3.00 billion were paid in full.

Interest Expense and Other Finance Charges

Interest and other financing charges from bonds payable in 2023, 2022 and 2021 amounted to ₱453.30 million, ₱392.13 million and ₱404.00 million, respectively (see Note 25).

The Group's Bond payable have covenants to maintain a debt-to-equity ratio of not more than 2.00x, debt service coverage ratio of at least 1.5x and current ratio of 1.5x. As of December 31, 2023 and 2022, the Company complied with the provision of its debt covenant.

## 20. Equity

*Earnings per share*
Basic earnings per share amounts attributable to equity holders of the Parent Company in 2023, 2022 and 2021 are as follows:

| | **2023** | 2022 | 2021 |
|---|---|---|---|
| Net income attributable to the owners of the Parent Company | **₱1,321,395,609** | ₱901,290,468 | ₱950,750,431 |
| Dividends to preferred shares | **100,765,499** | 201,531,000 | 201,531,000 |
| | **1,220,630,110** | 699,759,468 | 749,219,431 |
| Weighted average number of shares | **11,599,600,690** | 11,599,600,690 | 11,599,600,690 |
| Basic earnings per share | **₱0.11** | ₱0.060 | ₱0.065 |

Earnings per share are calculated using the consolidated net income attributable to the equity holders of Parent Company less dividend declared to preferred shares divided by the weighted average number of shares. The Group has no potentially dilutive ordinary shares as of December 31, 2023, 2022 and 2021.

*Common shares*
The Group's authorized capital stock and issued and subscribed shares amounted to 15,000,000,000 shares and 11,699,723,690 shares, respectively as of December 31, 2023 and 2022. There are no movements in the Group's authorized, issued and subscribed shares in 2023, 2022 and 2021.

The following summarizes the Group's record of registration of securities under the Revised Securities Regulation Code:

On February 09, 2000, the Parent Company was listed with the Philippine Stock Exchange with a total of 3,554.72 million common shares, issued, paid and outstanding. The offering of the shares was at ₱1.00 per share.

On November 11, 2014, the Philippine Stock Exchange, Inc. approved the application of the Group to list additional 730.32 million common shares, with a par value of ₱0.53 per share, to cover the Group's 20.62% stock dividend declaration to stockholders of record as of October 27, 2014 which was paid on November 14, 2014.

On August 30, 2019, the Group's BOD authorized and approved the amendment of the stockholders' resolution dated September 29, 2017, specifically: (a) change in the par value of the proposed reclassified 3.00 billion Preferred Shares from ₱1.00 to ₱0.53 per share and (b) no increase in the authorized capital stock of the Parent Company, together with the consequent amendment of article nine of the amended articles of incorporation of the Parent Company. The amendment was approved by the SEC in January 2020.

As of December 31, 2023 and 2022, the Parent Company had 496 stockholders with at least one board lot at the PSE, for a total of 11,599,600,690 (₱0.53 par value) issued and outstanding common shares.

*Preferred stock*
On January 10, 2020, the Parent Company listed at the main board of the PSE its maiden follow-on offering of preferred stock under the trading symbol "CPGP". These preferred shares are cumulative, non-voting, non-participating and redeemable at the option of the Parent Company. The Parent Company offered 20 million preferred stock at ₱100.00 each with an oversubscription option of up to 10 million preferred stock on December 16, 2019 to January 3, 2020, after the SEC issued an order rendering the Registration Statement that was filed on October 19, 2019 effective and a corresponding permit to offer the securities for sale. The initial dividend rate was set at 6.7177% per annum. The dividends on the preferred stock shall be paid quarterly, every January 10, April 10, July 10, and October 10 of each year.

The 30,000,000 preferred stock with a par value of ₱0.53 were fully subscribed totaling ₱15.90 million. Additional paid-in capital from preferred stock amounted ₱2,984.10 million and issuance cost totaled ₱99.06 million resulting in a net additional paid-in capital ₱2,885.03 million. Total cash received from issuance of preferred shares amounted to ₱2,910.77 million.

On July 10, 2023, the Parent Company fully redeemed its ₱3,000 million Cumulative, Non-Voting, Non-Convertible, Non-Participating, Redeemable Peso-denominated Preferred Shares ("Preferred Shares" or "CPGP"). The redemption price was the issue price of P100.00 per share, plus any accumulated unpaid cash dividends. The redemption of shares is treated as treasury shares recorded at cost.

*Treasury shares*
On January 7, 2013, the BOD of the Parent Company approved a share buyback program for those shareholders who opt to divest of their shareholdings in the Parent Company. A total of ₱800.00 million worth of shares were up for buyback for a time period of up to 24 months. In 2014 and 2013, a total of 85.68 million shares and 14.44 million shares were reacquired at a total cost of ₱87.15 million and ₱22.52 million, respectively.

As of December 31, 2023, treasury shares amounted to ₱3,109.67 million consisting of 100.12 million common shares and 30.00 million preferred shares. As of December 31, 2022, treasury shares amounted to ₱109.67 million consisting of 100.12 million common shares.

*Retained earnings*
Retained earnings include the accumulated equity in undistributed net earnings of consolidated subsidiaries amounting to ₱8,484.58 million and ₱10,404.43 million as of December 31, 2023 and 2022, respectively. These are not available for dividend distribution unless declared by subsidiaries and other investees.

The subsidiaries' retained earnings available for dividend declaration, after reconciling items, amounted to ₱4,406.41 million and ₱6,353.19 million as of December 31, 2023 and 2022, respectively. Reconciling items include non-cash income from accumulated gains from fair value of investment property amounting ₱4,078.17 million and ₱4,051.24 million, as of December 31, 2023 and 2022, respectively (see Note 11).

Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares.

*Cash dividend declaration*

The Board of Directors (BOD) of CPGI approved the following dividend declaration in 2023, 2022 and 2021.

| | Date of Declaration | Total Amount of Dividends | Dividends per share/ Dividend rate | Shares Record Date | Date of Payment |
|---|---|---|---|---|---|
| *Dividend for:* | | | | | |
| **Common Shares** | **June 29, 2023** | **₱70,237,954** | **₱0.006055** | **July 28, 2023** | **August 11, 2023** |
| **Common Shares** | **June 29, 2023** | **70,237,954** | **₱0.006055** | **September 29, 2023** | **October 13, 2023** |
| **Preferred Shares** | **March 8, 2023** | **50,382,750** | **6.7177%** | **July 5, 2023** | **July 10, 2023** |
| **Preferred Shares** | **March 8, 2023** | **50,382,750** | **6.7177%** | **April 3, 2023** | **April 11, 2023** |
| **2023** | | **₱241,241,408** | | | |
| Preferred Shares | December 6, 2022 | ₱50,382,750 | 6.7177% | January 5, 2023 | January 10, 2023 |
| Preferred Shares | August 11, 2022 | 50,382,750 | 6.7177% | October 5, 2022 | October 10, 2022 |
| Preferred Shares | May 26, 2022 | 50,382,750 | 6.7177% | July 6, 2022 | July 11, 2022 |
| Preferred Shares | February 4, 2022 | 50,382,750 | 6.7177% | April 6, 2022 | April 11, 2022 |
| **2022** | | **₱201,531,000** | | | |
| Common Shares | July 21, 2021 | ₱57,486,898 | ₱0.0050 | August 6, 2021 | August 18, 2021 |
| Common Shares | July 21, 2021 | 57,486,897 | ₱0.0050 | October 7, 2021 | October 18, 2021 |
| Preferred Shares | November 29, 2021 | 50,382,750 | 6.7177% | January 5, 2022 | January 10, 2022 |
| **2021** | | **₱165,356,545** | | | |

Total unpaid dividends amounted to nil and ₱52.96 million as of December 31, 2023, and December 31, 2022, respectively (see Note 14).

*Non-controlling interest*

On May 31, 2023, the Board of Directors (BOD) of CPGI approved the acquisition of 1,060,000,000 common shares with a par value of ₱1.00 per common share from Mitsubishi Corporation (MC), representing the latter's 40% ownership interest in PPHI, and 265,000 Preferred B shares with a par value of ₱1,000 per share owned by MC in PPHI. The Philippine Competition Commission (PCC) has approved the above transaction on August 9, 2023, and on November 24, 2023, CPGI concluded the acquisition at a transaction price of ₱1.09 per common share and ₱1,085.28 per preferred share. The difference between the acquisition price of ₱1,438.00 million and the carrying value of NCI of ₱2,155.32 million as of October 30, 2023, amounting to ₱717.32 million, was recognized in the Group's equity reserve.

On May 31, 2023, the Board of Directors of the Century Limitless Corporation (CLC) also approved the acquisition of the 40% shareholdings of MC in the following subsidiaries:

a. 409,780 common shares with par value of ₱100.00 per share and 175,620 preferred shares with par value of ₱100.00 per share in TPI I.
b. 140,000 common shares with par value of ₱100.00 per share of MC in TPI II.
c. 120,000 common shares with par value of ₱100.00 per share of MC in TPI III.

The PCC has approved the above transaction on August 9, 2023 and on November 24, 2023, CLC completed the above acquisition for a total acquisition price of ₱141.00 million. The difference between the acquisition price and the carrying value of NCI of ₱135.03 million as of October 30, 2023, amounting to ₱5.97 million, was recognized in the Group's equity reserve.

As of December 31, 2023, the Group still holds the escrow account related to the share purchase agreement with MC amounting to ₱78.95 million which is equivalent 5% of the total transaction price.

On December 15, 2022, CALC recognized the equity portion of its deposit for preferred shares subscription. This resulted to increase in non-controlling interest amounting to ₱54.18 million (see Note 33).

*Non-controlling interest - dividends declared*

The BOD of CPGI subsidiaries approved the following dividend declarations to non-controlling interest.

| | Date of Declaration | Total Amount of Dividends | Dividends per share | Dividend declared to NCI | Date of Payment |
|---|---|---|---|---|---|
| *Declared by:* | | | | | |
| TPI I | **May 30, 2023** | **₱78,000,000** | **₱177.66** | **₱31,200,000** | **May 31, 2023** |
| TPI II | **May 30, 2023** | **24,000,000** | **68.57** | **9,600,000** | **May 31, 2023** |
| TPI III | **May 30, 2023** | **160,500,000** | **535.00** | **64,200,000** | **May 31, 2023** |
| PPHI | **May 30, 2023** | **987,500,000** | **0.37** | **395,000,000** | **May 31, 2023** |
| **2023** | | **₱1,250,000,000** | | **₱500,000,000** | |
| TPI I | June 29, 2022 | ₱70,000,000 | ₱159.44 | ₱28,000,000 | June 30, 2022 |
| TPI II | June 29, 2022 | 230,000,000 | 657.14 | 92,000,000 | June 30, 2022 |
| TPI III | June 29, 2022 | 200,000,000 | 666.67 | 80,000,000 | June 30, 2022 |
| 2022 | | ₱500,000,000 | | ₱200,000,000 | |
| TPI II | September 21, 2021 | ₱400,000,000 | ₱1,142.86 | ₱160,000,000 | September 30, 2021 |
| 2021 | | ₱400,000,000 | | ₱160,000,000 | |

*Non-controlling interest - additional issuances*

In 2022, PPHI issued additional 354 million common shares with a par value of ₱1.00 and 96,000 preferred shares with ₱1,000.00 par value per share to CPGI. At the same time, PPHI also issued 254 million common shares with a par value of ₱1.00 and 64,000 preferred shares with ₱1,000.00 par value per share to Mitsubishi Corporation (MC). which resulted into an aggregate increase in the non-controlling interest amounting to ₱320.00 million.

On March 26, 2021, PPHI approved the declaration of ₱223.10 per share cash dividends to its Preferred A shareholders amounting to ₱80.65 million. The dividends were paid on May 26, 2021. The Parent Company holds the Preferred A shares, thus, was eliminated in the consolidated financial statements.

In 2021, PPHI issued additional ₱240 million common shares with a par value of ₱1.00 and 60,000 preferred shares with ₱1,000.00 par value to CPGI and ₱160 million common share with a par value of ₱1.00 and 40,000 preferred shares with a par value ₱1,000.00 to MC, which resulted into an aggregate increase in the non-controlling interest amounting to ₱200.00 million.

*Other components of equity*

Other components of equity mainly pertain to the equity reserve recognized between the consideration paid by MC and the carrying value of the net assets of TPI I, TPI II, TPI III and Century City Development Corp II (CCDC II) given up amounting to ₱104.49 million as of December 31, 2020. In 2020, CPGI acquired the total outstanding shares held by MC in CCDC II. The difference between the acquisition price paid by CPGI and the value of the non-controlling interest held by MC in CCDCII as of August 24, 2020, amounting to ₱782.24 million, was charged against the Group's equity reserve.

In 2023, the Group acquired the total outstanding shares held by MC in its subsidiaries, TPI I, TPI II, TPI III and PPHI. The difference between the total acquisition price of ₱1,579.00 million and the carrying amount of NCI as of October 30, 2023 amounting to ₱2,290.35 million, which amounted to ₱711.35 million, was recognized in the Group's equity reserve.

Other components of equity also include the remeasurement loss on equity instruments at FVOCI amounting to ₱5.45 million as of December 31, 2023 and December 31, 2022.

The financial information of subsidiaries that have material non-controlling interests is provided below.

Summarized statements of financial position (in millions) as of December 31, 2023 and 2022:

| | TPI I | | TPI II | | TPI III | | PPHI | |
|---|---|---|---|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 |
| Current assets | **₱363.71** | ₱457.27 | **₱375.68** | ₱469.61 | **₱499.11** | ₱595.92 | **₱12,453.87** | ₱11,035.03 |
| Noncurrent assets | **0.00** | 0.41 | **–** | 0.30 | **0.06** | 0.64 | **100.83** | 139.38 |
| Current liabilities | **(138.62)** | (150.98) | **(342.89)** | (307.75) | **(343.36)** | (325.37) | **(6,408.99)** | (4,568.41) |
| Noncurrent liabilities | **(18.27)** | (29.59) | **(14.61)** | (91.39) | **(37.31)** | (74.43) | **(858.64)** | (1,756.01) |
| Total equity | **₱206.82** | ₱277.11 | **₱18.18** | ₱70.77 | **₱118.50** | ₱196.76 | **₱5,287.07** | ₱4,849.99 |
| | | | | | | | | |
| Attributable to: | | | | | | | | |
| Equity holders of the Parent Company | **₱206.82** | ₱162.17 | **₱18.18** | ₱42.02 | **₱118.50** | ₱119.41 | **₱5,287.07** | ₱2,817.41 |
| Non-controlling interest | **–** | 114.95 | **–** | 28.76 | **–** | 77.35 | **–** | 2,032.58 |
| Total equity | **₱206.82** | ₱277.12 | **₱18.18** | ₱70.78 | **₱118.50** | ₱196.76 | **₱5,287.07** | ₱4,849.99 |

Summarized statements of comprehensive income (in millions) for the years ended December 31, 2023 and 2022:

| | TPI I | | TPI II | | TPI III | | PPHI | |
|---|---|---|---|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 |
| Revenue | **₱19.18** | ₱– | **₱21.20** | ₱78.30 | **₱222.21** | ₱396.46 | **₱6,195.19** | ₱5,159.94 |
| Cost of real estate sales and services | **2.91** | – | **(22.72)** | (56.89) | **(89.06)** | (133.45) | **(3,078.82)** | (2,722.76) |
| General and administrative expenses | **(18.53)** | (36.65) | **(20.52)** | (36.49) | **(48.84)** | (53.83) | **(1,551.70)** | (1,143.77) |
| Operating income (loss) | **3.56** | (36.65) | **(22.04)** | (15.08) | **84.31** | 209.18 | **1,564.67** | 1,293.41 |
| Other income | **10.65** | 4.77 | **8.51** | 24.95 | **36.03** | 24.00 | **373.57** | 55.62 |
| Provision for income tax | **(6.50)** | (5.24) | **(15.07)** | (15.84) | **(38.10)** | (9.46) | **(258.29)** | (137.19) |
| Other Comprehensive Income | **–** | – | **–** | – | **–** | – | **(2.84)** | 4.52 |
| Total comprehensive income | **₱7.71** | (₱37.12) | **(₱28.60)** | (₱5.97) | **₱82.24** | ₱223.72 | **₱1,677.11** | ₱1,216.36 |

| | TPI I | | TPI II | | TPI III | | PPHI | |
|---|---|---|---|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 |
| Total comprehensive income attributable to: | | | | | | | | |
| Equity holders of the Parent Company | **₱5.00** | (₱22.27) | **(₱21.04)** | (₱3.58) | **₱55.70** | ₱134.23 | **₱1,165.34** | ₱729.82 |
| Non-controlling interests | **2.71** | (14.85) | **(7.55)** | (2.39) | **26.54** | 89.48 | **511.78** | 486.55 |
| | **₱7.71** | (₱37.12) | **(₱28.59)** | (₱5.97) | **₱82.24** | ₱223.71 | **₱1,677.12** | ₱1,216.37 |

*Capital management*
The primary objective of the Group's capital management is to ensure that it maintains a strong and healthy consolidated statement of financial position to support its current business operations and drive its expansion and growth in the future.

The Group undertakes to establish the appropriate capital structure for each business line, to allow it sufficient financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Group considers debt as a stable source of funding. The Group attempts to continually lengthen the maturity profile of its debt portfolio and makes it a goal to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. The Group is subject to externally imposed capital requirements from its bank loans which it has complied with as of December 31, 2023 and 2022 (see Note 17).

Equity, which the Group considers as capital, pertains to the equity attributable to equity holders of the Parent Company excluding other components of equity and remeasurement loss on defined benefit plan, amounting to a total of ₱20,226.11 million and ₱22,145.96 million as of December 31, 2023 and 2022, respectively.

No changes were made in the objectives, policies or processes for managing capital in 2023 and 2022.

## 21. General, Administrative and Selling Expenses

This account consists of:

| | **2023** | 2022 | 2021 |
|---|---|---|---|
| Commission | **₱1,036,566,170** | ₱845,591,110 | ₱924,998,420 |
| Salaries, wages and employee benefits (Note 22) | **780,464,020** | 592,879,006 | 614,621,880 |
| Marketing and promotions | **575,542,686** | 465,055,490 | 245,220,749 |
| Taxes and licenses | **263,231,236** | 217,473,794 | 164,630,953 |
| Outside services | **123,882,639** | 60,709,483 | 99,797,650 |
| Representation expenses | **83,853,158** | 110,273,064 | 81,764,952 |
| Depreciation and amortization (Notes 12 and 13) | **81,875,890** | 55,993,463 | 67,580,015 |
| Professional fees | **71,329,450** | 67,866,450 | 80,609,304 |
| Bad debts expense (Note 6 and 16) | **37,981,784** | 1,416,053 | – |
| Rent | **36,757,394** | 53,766,339 | 77,059,448 |
| Utilities | **36,342,721** | 14,066,531 | 15,876,394 |
| Supplies | **34,731,098** | 39,177,477 | 39,167,645 |
| Repairs and maintenance | **30,201,664** | 26,031,567 | 6,579,135 |
| Transportation and travel | **21,676,619** | 20,143,613 | 13,993,785 |
| Communication | **13,895,905** | 14,567,022 | 18,035,120 |
| Miscellaneous | **122,400,250** | 186,087,934 | 242,969,618 |
| | **₱3,350,732,684** | ₱2,771,098,396 | ₱2,692,905,068 |

Bad debts expense pertains to write-off of advances to related party amounting to ₱12.83 million in 2023 and additional allowance for estimated credit losses for receivables amounting to ₱25.14 million and ₱1.42 million in 2023 and 2022, respectively (see Note 6 and 16).

Miscellaneous pertains mainly to research development, sponsorships, recruitment fess, software maintenance and insurance.

## 22. Personnel Cost

This account consists of salaries, wages and employee benefits as follows:

| | **2023** | 2022 | 2021 |
|---|---|---|---|
| General, administrative and selling expenses (Note 21) | **₱780,464,020** | ₱592,879,006 | ₱614,621,880 |
| Cost of services | **262,558,196** | 268,345,792 | 272,728,398 |
| | **₱1,043,022,216** | ₱861,224,798 | ₱887,350,278 |

The breakdown of salaries, wages and employee benefits is as follows:

| | **2023** | 2022 | 2021 |
|---|---|---|---|
| Salaries and wages | **₱871,760,111** | ₱698,187,701 | ₱719,613,208 |
| Retirement expense (Note 26) | **43,196,004** | 47,016,562 | 50,112,456 |
| Other employee benefits | **128,066,101** | 116,020,535 | 117,624,614 |
| | **₱1,043,022,216** | ₱861,224,798 | ₱887,350,278 |

## 23. Property Management Fee, Hotel and Other Services

This account consists of:

| | **2023** | 2022 | 2021 |
|---|---|---|---|
| **Revenues:** | | | |
| Property management fee | **₱458,294,134** | ₱420,720,590 | ₱399,099,139 |
| Hotel services | **57,429,992** | – | – |
| Technical services | **4,244,321** | 2,647,367 | 912,178 |
| | **₱519,968,447** | ₱423,367,957 | 400,011,317 |

Property management fee pertains mostly to facilities management and consultancy fees of condominium corporations, corporate facilities and prior projects of the Group, which have been turned over to the respective buyers.

Hotel services pertains to rental of hotel rooms, food and beverage sales, and other service revenue. The Group's hotel business, the Novotel Suites Acqua, started commercial operations in December 2022.

Technical services pertain to other services such as plan evaluation, consultation and project management.

Direct cost of services incurred, which mainly include salaries and employee benefits, contracted services, and cost of repairs and maintenance, amounted to ₱320.60 million, ₱268.35 million and ₱272.73 million in 2023, 2022 and 2021, respectively, in relation to property management.

## 24. Interest Income and Others

This account consists of:

| | **2023** | 2022 | 2021 |
|---|---|---|---|
| Income from forfeited collections | **₱178,804,590** | ₱209,167,039 | ₱143,758,491 |
| Interest income from deposits and short-term investments (Notes 4, and 5) | **145,365,612** | 53,205,768 | 40,202,395 |
| Interest income from amortization of liabilities to preferred shares (Note 32) | **11,342,261** | – | – |
| Interest income from in-house financing | **111,741,178** | 93,197,773 | 50,374,798 |
| Loss on sale of investment property (Note 11) | **–** | (815,953) | (34,128,752) |
| Other income | **350,925,708** | 114,520,728 | 197,343,221 |
| | **₱798,179,349** | ₱469,275,355 | ₱397,550,153 |

Income from forfeited collections pertains to forfeited collections from reservation fees whose allowable period of completion has prescribed and terminated sales contracts.

Other income mainly consists of customer-related fees such as processing fees, penalties and other surcharges billed against defaulted installments from sales contracts. Real estate buyers are normally charged a penalty of 3.00% of the monthly installment for every month in arrears from the time the specific installment becomes due and payable.

## 25. Interest and Other Financing Charges

Details of this account follow:

| | **2023** | 2022 | 2021 |
|---|---|---|---|
| Interest expense from: | | | |
| Bonds payable (Note 19) | **₱453,297,442** | ₱392,134,510 | ₱404,004,678 |
| Short-term and long-term debts (Note 17) | **632,900,728** | 399,019,655 | 386,312,590 |
| Lease liabilities (Note 28) | **2,965,638** | 4,829,999 | 4,829,999 |
| Other financing charges | **119,273,972** | 121,905,353 | 99,444,808 |
| | **₱1,208,437,780** | ₱917,889,517 | ₱894,592,075 |

Other financing charges mostly include charges from interbank transfers other banking service fees and amortization of deferred transaction costs.

## 26. Pension Costs

The Group has a funded, noncontributory, defined benefit pension plan covering substantially all of its regular employees. The benefits are based on the projected retirement benefit of 22.5 days pay per year of service in accordance with Republic Act 7641, *The Retirement Pay Law*. The benefits are based on current salaries and years of service and compensation on the last year of employment. An independent actuary conducts an actuarial valuation of the retirement benefit obligation using the projected unit credit method.

The components of retirement expense included under "Salaries, wages and employee benefits" under general, administrative and selling expenses follow (see Note 21):

| | **2023** | 2022 | 2021 |
|---|---|---|---|
| Current service cost | **₱25,718,179** | ₱32,078,230 | ₱35,256,299 |
| Net interest cost on benefit obligation | **17,477,825** | 14,938,332 | 14,856,157 |
| Retirement expense | **₱43,196,004** | ₱ 47,016,562 | ₱50,112,456 |

Changes in the fair value of the plan assets (FVPA) and the present value of the retirement obligation (PVRO) are as follows as of December 31, 2023 and 2022:

| | **2023** | 2022 |
|---|---|---|
| FVPA: | | |
| Balance at January 1 | **₱7,160,690** | ₱7,217,095 |
| Interest income | **523,446** | 373,846 |
| Remeasurement loss from changes in financial assumptions | **(78,236)** | (430,251) |
| Balance at December 31 | **7,605,900** | 7,160,690 |
| PVRO: | | |
| Balance at January 1 | **238,347,158** | 286,847,043 |
| Transfer from the Parent Company | **(2,957,246)** | 5,524,177 |
| Current service cost | **25,718,179** | 32,078,230 |
| Interest cost | **18,001,271** | 15,312,178 |
| Benefits paid | **(10,007,461)** | (15,025,874) |
| Actuarial gain from changes in: | | |
| Financial assumptions | **31,847,881** | (54,307,393) |
| Experience and demographic assumptions | **(3,195,592)** | (32,081,203) |
| Balance at December 31 | **297,754,190** | 238,347,158 |
| Net liability arising from retirement obligation | **₱290,148,290** | ₱231,186,468 |

The plan assets as of December 31, 2023 and 2022 pertain solely to bank deposits. The Group does not expect to contribute to its retirement fund in 2023.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumptions on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant.

| | **December 31, 2023** | |
|---|---|---|
| | **Increase (decrease)** | **Effect on DBO** |
| Discount rate | **1.0%** | **(₱27,484,969)** |
| Discount rate | **(1.0%)** | **32,522,968** |
| Rate of salary increase | **1.0%** | **32,382,224** |
| Rate of salary increase | **(1.0%)** | **(27,863,092)** |

| | December 31, 2022 | |
|---|---|---|
| | Increase (decrease) | Effect on DBO |
| Discount rate | 1.0% | (₱21,670,865) |
| Discount rate | (1.0%) | 25,665,185 |
| Rate of salary increase | 1.0% | 25,867,276 |
| Rate of salary increase | (1.0%) | (22,197,467) |

The assumptions used to determine pension benefits for the Group in 2023 and 2022 are as follows:

| | **2023** | 2022 |
|---|---|---|
| Discount rate | **6.06% - 6.19%** | 7.26%-7.41% |
| Salary increase rate | **3.5% - 6.00%** | 3.50%-6.00% |

Shown below is the maturity analysis of the undiscounted benefit payments:

| Year ending | Amount |
|---|---|
| December 31, 2024 | ₱64,961,469 |
| December 31, 2025 | 6,523,422 |
| December 31, 2026 | 8,257,239 |
| December 31, 2027 | 6,384,590 |
| December 31, 2028 | 19,682,543 |
| December 31, 2029 through December 31, 2033 | 176,052,396 |

## 27. **Income Taxes**

The provision for income tax consists of:

| | **2023** | 2022 | 2021 |
|---|---|---|---|
| Current: | | | |
| RCIT/MCIT | **₱429,066,874** | ₱347,774,418 | ₱57,320,573 |
| Final | **11,682,579** | 10,641,154 | 4,799,436 |
| | **440,749,453** | 358,415,572 | 62,120,009 |
| Deferred | **(98,557,120)** | (139,441,803) | (271,819,873) |
| | **₱342,192,333** | ₱218,973,769 | (₱209,699,864) |

*Current tax*
Income tax includes regular corporate income tax (RCIT) at the rate of 25% in 2023, 2022, and 2021. minimum corporate income tax (MCIT) is at the rate of 1.5% in 2023, 1% in 2022, and 2% in 2020, and final taxes paid is at the rate of 20%, which is a final withholding tax on gross interest income from debt instruments and other deposit substitutes.

*Deferred tax*

The components of the Group's net deferred tax assets are as follows:

| | **2023** | 2022 |
|---|---|---|
| Recognized in the consolidated statements of comprehensive income: | | |
| Deferred tax assets on: | | |
| Accrued retirement costs | **₱26,147,672** | ₱39,663,930 |
| Effect of difference in accounting and tax base in real estate sales | **21,426,709** | – |
| Provisions for impairment losses | **4,737,921** | 454,163 |
| | **52,312,302** | 40,118,093 |
| Deferred tax liabilities on: | | |
| Unamortized deferred financing costs | – | (20,686,519) |
| Recognized directly in equity: | | |
| Deferred tax asset (liability) on re-measurement loss on retirement obligation | **(3,955,123)** | 13,772,944 |
| | **₱48,357,179** | ₱33,204,518 |

The components of the Group's net deferred tax liabilities are as follows:

| | **2023** | 2022 |
|---|---|---|
| Recognized in the consolidated statements of comprehensive income: | | |
| Deferred tax assets on: | | |
| Accrued retirement costs | **₱45,020,377** | ₱15,706,661 |
| Advance rentals | **17,438,855** | 7,209,604 |
| NOLCO | **17,030,403** | 1,002,337 |
| MCIT | **7,039,179** | – |
| Provisions for impairment losses | **3,974,995** | 1,971,862 |
| | **90,503,809** | 25,890,464 |
| Deferred tax liabilities on: | | |
| Fair value gains on investment properties | **(1,019,541,950)** | (1,012,809,680) |
| Effect of difference in accounting and tax base on real estate sales | **(891,039,781)** | (911,958,878) |
| Prepaid commissions | **(192,618,751)** | (305,275,024) |
| Effect of difference in accounting and tax base on investment properties | **(390,638,026)** | (293,180,478) |
| Unamortized deferred financing costs | **(51,090,592)** | (15,235,026) |
| Others | **(9,639,315)** | (8,482,013) |
| | **(2,554,568,415)** | (2,546,941,099) |
| Recognized directly in equity: | | |
| Deferred tax asset (liability) on re-measurement loss on retirement obligation | **5,324,147** | (21,094,283) |
| | **(₱2,458,740,459)** | (₱2,542,144,918) |

As of December 31, 2023, carryover NOLCO that can be claimed as deduction from future taxable income is as follows:

| Year Incurred | Amount | Used/Expired | Balance | Expiry Year |
|---|---|---|---|---|
| 2020 | ₱470,848,536 | ₱– | ₱470,848,536 | 2025 |
| 2021 | 727,674,762 | (99,224,980) | 628,449,782 | 2026 |
| 2022 | 654,733,261 | – | 654,733,261 | 2027 |
| 2023 | 850,296,181 | | 850,296,181 | 2028 |
| | ₱2,703,552,740 | (₱99,224,980) | ₱2,604,327,760 | |

As of December 31, 2023, MCIT that can be used as deductions against income tax liabilities are as follows:

| Year | Amount | Used/Expired | Balance | Expiry Year |
|---|---|---|---|---|
| 2021 | ₱20,567,503 | (₱17,311,425) | ₱3,256,078 | 2026 |
| 2022 | 317,771 | – | 317,771 | 2027 |
| 2023 | 8,515,874 | – | 8,515,874 | 2028 |
| | ₱29,401,148 | (₱17,311,425) | ₱12,089,723 | |

*Unrecognized deferred tax assets*
The Group has NOLCO and MCIT that are available for offset against future taxable income or tax payable for which deferred tax assets have not been recognized. Unrecognized deferred tax assets on NOLCO and MCIT amounted to ₱634.05 million and ₱5.05 million respectively, as of December 31, 2023 and ₱437.51 million and ₱3.57 million, respectively, as of December 31, 2022.

*Statutory reconciliation*
The reconciliation of the provision for income tax computed at statutory income tax rate to the provision for income tax shown in profit or loss follows:

| | **2023** | 2022 | 2021 |
|---|---|---|---|
| Provision for income tax computed at statutory rate | **₱549,208,925** | ₱405,933,210 | ₱264,851,571 |
| Adjustments for: | | | |
| Nondeductible interest and other expenses | **326,542,280** | 444,746,328 | 489,979,641 |
| Change in unrecognized deferred tax assets | **224,511,311** | 147,613,893 | 200,807,087 |
| Expired NOLCO | **–** | 37,406,500 | – |
| Expired/Applied MCIT | **933,958** | 33,380,847 | 21,481,945 |
| Final tax | **11,682,579** | 10,641,154 | 4,799,435 |
| Adjustment from CREATE law | – | – | (465,858,931) |
| Income under income tax holiday | **(737,302,675)** | (807,542,395) | (612,468,294) |
| Non-taxable interest and other income | **(33,384,045)** | (53,205,768) | (113,292,318) |
| Provision for income tax | **₱342,192,333** | ₱218,973,769 | (₱209,699,864) |

*Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*
On March 26, 2021, the CREATE Act was signed into law by the Philippine President. General provisions of the CREATE Act include the following:

- Domestic corporations with total assets of 100.00 million and below
  - With taxable income of 5.00 million and below - 20% RCIT
  - With taxable income of more than 5.00 million - 25% RCIT
- Domestic corporations with total assets of more than 100.00 million - 25% RCIT
- Reduction of MCIT from 2% to 1% for a period of three years (effective July 1, 2020 until June 30, 2023).

In 2021, the reduction in RCIT and MCIT rates from 30% to 25% and 2% to 1%, respectively has reduced the current tax expense of the Group by ₱27.92 million. Also, the reduction in rates decreased deferred tax expense by ₱55.65 million and deferred tax assets by ₱437.94 million in 2021.

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the MCIT rate to 2% of gross income effective July 1, 2023 pursuant to CREATE Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021. Consequently, the Group recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

## 28. Lease Contracts

*Group as lessee*
The Group has lease contracts for various office spaces with lease terms of two (2) to three (3) years. Rental due is based on the agreed fixed monthly rent, subject to escalation. As of December 31, 2023 and 2022, the Group has rental deposits pertaining to these lease contracts amounting to ₱94.25 million and ₱95.96 million, respectively (see Note 13).

The rollforward of lease liability is as follows:

| | **December 31, 2023** | December 31, 2022 |
|---|---|---|
| Balance at beginning of year | **₱27,732,190** | ₱57,139,963 |
| Additions | **21,884,434** | – |
| Accretion for the year (Note 25) | **2,965,638** | 4,829,999 |
| Payments | **(18,372,955)** | (34,237,772) |
| Balance at end of year | **34,209,307** | 27,732,190 |
| Less current portion | **17,374,825** | 15,434,671 |
| Noncurrent portion | **₱16,834,482** | ₱12,297,519 |

Payments for principal and interest on lease liability are presented under financing activities while payments for interest on lease liability are presented under operating activities. The Group has paid ₱15.41 million, ₱ 29.41 million and ₱23.68 million related to principal portion of lease liabilities in 2023, 2022 and 2021, respectively. Total interest on lease liabilities paid amounted to ₱2.97 million, ₱4.83 million and ₱4.83 million in 2023, 2022 and 2021, respectively.

The following are the amounts recognized in consolidated statements of comprehensive income:

| | **2023** | 2022 | 2021 |
|---|---|---|---|
| Depreciation expense of right-of-use assets included in property and equipment | **₱15,182,531** | ₱25,892,500 | ₱27,819,739 |
| Interest expense on lease liabilities | **2,965,638** | 4,829,999 | 4,829,999 |
| Expenses relating to short-term leases (included in general, selling and administrative expenses) (Note 21) | **17,862,526** | 53,766,339 | 77,059,448 |
| Leasing revenues | **1,293,121,807** | 1,362,474,800 | 1,200,366,601 |
| Total amount recognized in the consolidated statements of comprehensive income | **₱1,329,132,502** | ₱1,446,963,638 | ₱1,310,075,787 |

The movements of ROU assets during 2023 and 2022 are as follows:

| | **2023** | 2022 |
|---|---|---|
| Balance at beginning of year | **₱28,849,114** | ₱54,741,614 |
| Additions (Note 12) | **27,764,862** | – |
| Amortization expense (Note 12) | **(15,182,531)** | (25,892,500) |
| Balance at end of year | **₱41,431,445** | ₱28,849,114 |

Shown below is the maturity analysis of the future undiscounted lease payments as of December 31, 2023 and 2022:

| | **2023** | 2022 |
|---|---|---|
| Within one year | **₱17,374,825** | ₱15,434,671 |
| After one year but not more than three years | **16,834,482** | 12,297,519 |

*Group as lessor*
The Group is a lessor of its commercial units in its retail mall, hospital, office and commercial spaces. The leases have terms ranging from one (1) year to (10) years, with renewal options. Monthly rent payment is computed using a fixed rate per square meter and variable rent based on percentage of sales of the tenants for the year. Leasing revenue recognized amounted to ₱1,291.34 million, ₱1,362.47 million and ₱1,200.36 million in 2023, 2022 and 2021, respectively.

Advance Deposits and Refundable Deposits
Refundable deposits pertain to utilities and meter deposits, and security deposits collected from tenants which are refundable at the end of the lease contracts. The Group received refundable deposits and security deposits classified as "Other current liabilities" amounting to ₱59.85 million and ₱61.34 million and "Other noncurrent liabilities" amounting to ₱645.44 million and ₱769.13 million as of December 31, 2023 and December 31, 2022, respectively (see Note 32).

Deferred Lease Income
Deferred lease income is amortized over the lease term on a straight-line basis and which amortization is recorded as part of "Leasing revenue" in the statements of comprehensive income. The carrying value of the deferred lease income presented under financial statement caption "Other current liabilities" amounted to ₱14.00 million and ₱6.81 million and "Other noncurrent liabilities" amounted to ₱98.02 million and ₱68.15 million as of December 31, 2023 and December 31, 2022, respectively (see Note 33).

Future minimum rentals receivable under operating leases are as follows:

| | **2023** | 2022 |
|---|---|---|
| Within one year | **₱974,901,869** | ₱956,958,326 |
| After one year but not more than three years | **2,526,297,570** | 3,700,646,343 |

## 29. Financial Instruments

Fair Value Information

The table below presents the carrying amounts and fair values of the Group's financial assets and financial liabilities:

| | **2023** | | 2022 | |
|---|---|---|---|---|
| | **Carrying Value** | **Fair value** | Carrying Value | Fair Value |
| **Financial assets** | | | | |
| ICR | **₱10,513,080,456** | **₱11,175,582,342** | ₱8,584,320,427 | ₱8,824,761,754 |
| Rental deposits | **94,247,911** | **95,479,912** | 95,958,665 | 98,910,252 |
| | **₱10,607,328,367** | **₱11,271,062,254** | ₱8,680,279,092 | ₱8,923,672,006 |
| **Financial liabilities** | | | | |
| Long-term debt | **10,352,233,632** | **11,360,005,043** | 11,006,315,542 | 11,067,255,646 |
| Bonds payable | **8,877,437,104** | **9,000,000,000** | 5,917,253,923 | 6,000,000,000 |
| Liability from purchased land | **49,484,077** | **52,564,486** | 130,982,533 | 134,836,069 |
| Security deposits | **724,950,698** | **679,753,641** | 830,474,255 | 856,018,766 |
| | **₱18,688,181,741** | **₱19,475,135,029** | ₱17,885,026,253 | ₱18,058,110,481 |

Fair Value of Financial Instruments

The methods and assumptions used by the Group in estimating the fair values of the financial instruments are as follows:

*Financial assets*

*Cash and cash equivalents, receivables (excluding ICRs), due from related parties, accounts and other payables, due to related parties and short-term debt*

Carrying amounts approximate fair values due to the short-term maturities of these instruments.

*ICRs*

Fair value is based on undiscounted value of future cash flows using the prevailing interest rates for similar types of receivables as of the reporting date using the remaining terms of maturity. Discount rates ranging from 5.88% to 8.12% were used in calculating the fair value as of December 31, 2023 and 2022.

*Rental deposits*

The fair values of rental deposits are based on the discounted value of future cash flows using the applicable market interest rates. Discount rates ranging from 5.64% to 6.49% and 5.21% to 6.24% were used in calculating the fair value of the Group's rental deposits as of December 31, 2023 and 2022, respectively.

*Long-term debt, bonds payable, liability from purchased land and, security deposits*

The fair values are estimated using the discounted cash flow method using the Group's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining

for the liability being valued. The discount rates used for long-term debt ranged from 5.64% to 6.49% and 1.55% to 2.82% as of December 31, 2023 and 2022, respectively. The discount rates used for the bonds payable ranged from 5.05% to 5.83% and 4.05% to 4.83% as of December 31, 2023 and 2022, respectively. The discount rates used for the liability from purchased land ranged from 5.64% to 6.49% and 1.55% to 2.82% as of December 31, 2023 and 2022, respectively.

The discount rates used for refundable deposits ranged from 6.64% to 6.49% and 4.25% to 5.01% as of December 31, 2023 and 2022, respectively. The discount rates used for the lease liabilities ranged from 5.64% to 6.49% and 1.55% to 2.82% as of December 31, 2023 and 2022, respectively.

In 2023 and 2022, the Group did not have transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

Financial Risk Management Policies and Objectives

The Group has various financial assets and liabilities such as cash and cash equivalents, receivables, due to and from related parties, and accounts payable and other liabilities, which arise directly from its operations. The Group has bonds payable, short-term and long-term debt availed for financing purposes.

Exposure to credit, interest rate and liquidity risks arise in the normal course of the Group's business activities.

The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The Group's BOD reviews and approves the policies for managing each of these risks and they are summarized below:

*Credit Risk*

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation.

The Group trades only with recognized, creditworthy third parties. The Group's receivables are monitored on an ongoing basis to manage exposure to bad debts and to ensure timely execution of necessary intervention efforts. Real estate buyers are subject to standard credit check procedures, which are calibrated based on payment scheme offered. The Group assessed that its customers portfolio is homogeneous. The Group's respective credit management units conduct a comprehensive credit investigation and evaluation of each buyer to establish creditworthiness.

In addition, the credit risk for ICRs is mitigated as the Group has the right to cancel the sales contract without need for any court action and take possession of the subject house in case of refusal by the buyer to pay on time the due installment contracts receivable. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

With respect to credit risk arising from the other financial assets of the Group, exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group transacts only with institutions or banks which have demonstrated financial soundness for the past 5 years.

The Group's maximum exposure to credit risk as of December 31, 2023 and 2022 is equal to the carrying values of its financial assets with an aggregate amount of ₱7,149.04 million and ₱6,224.82 million, which excludes cash on hand amounting to ₱1.26 million and ₱1.26 million respectively, and ICRs with carrying values of ₱9,756.91 million and ₱8,584.32 million, respectively.

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents and rental deposits - these are considered as high-grade financial assets as these are entered into with reputable counterparties.

Receivables - these are considered as high grade since there are no default in payments.

Due from related parties - these are considered as standard grade as these are settled on time or are slightly delayed due to unresolved concerns.

*Liquidity risk*
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or the counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and advances from related parties. It matches its projected cash flows to the projected amortization of long-term borrowings. For its short-term funding, the Group's policy is to ensure that there are sufficient operating inflows to match repayments of short-term debt.

The following table shows the maturity profile of the Group's financial assets used for liquidity purposes and liabilities based on contractual undiscounted payments:

| | December 31, 2023 | | |
|---|---|---|---|
| | Within 1 Year | More than 1 year | Total |
| **Financial assets** | | | |
| **Cash and cash equivalents** | **₱ 3,543,351,959** | **₱–** | **₱ 3,543,351,959** |
| **Short-term deposits** | **18,258,017** | **–** | **18,258,017** |
| **Receivables*** | **10,281,047,604** | **1,268,850,078** | **11,549,897,682** |
| **Due from related parties** | **1,566,243,753** | **–** | **1,566,243,753** |
| **Rental deposits** | **–** | **94,247,911** | **94,247,911** |
| | **₱15,408,901,333** | **₱1,363,097,989** | **₱16,771,999,322** |
| **Financial liabilities** | | | |
| **Accounts and other payables**** | **₱3,596,326,143** | **₱–** | **₱3,596,326,143** |
| **Due to related parties** | **384,097,093** | **–** | **384,097,093** |
| **Short-term debt** | **791,664,471** | **–** | **791,664,471** |
| **Liability from purchased land** | **49,484,077** | **–** | **49,484,077** |
| **Long-term debt:** | | | |
| **Principal** | **3,851,897,104** | **6,562,157,296** | **10,414,054,400** |
| **Interest** | **–** | **61,820,767** | **61,820,767** |
| **Bonds payable:** | | | |
| **Principal** | **3,000,000,000** | **6,000,000,000** | **9,000,000,000** |
| **Interest** | **–** | **122,562,896** | **122,562,896** |
| **Lease liabilities** | **17,374,824** | **16,834,482** | **34,209,306** |
| **Security deposits** | **59,850,397** | **645,436,816** | **705,287,213** |
| | **₱11,750,694,109** | **₱13,408,812,257** | **₱25,159,506,366** |

** Excluding receivables from employees amounting to ₱365.13 million as of December 31, 2023.*
***Excluding customers' advances and statutory liabilities amounting to ₱2,372.29 million and ₱255.73 million, respectively, as of December 31, 2023.*

| | December 31, 2022 | | |
|---|---|---|---|
| | Within 1 Year | More than 1 year | Total |
| Financial assets | | | |
| Cash and cash equivalents | ₱4,130,877,582 | ₱– | ₱4,130,877,582 |
| Short-term deposits | 36,786,565 | – | 36,786,565 |
| Receivables* | 9,462,414,681 | 109,043,517 | 9,571,458,198 |
| Due from related parties | 975,322,703 | – | 975,322,703 |
| Rental deposits | – | 95,958,665 | 95,958,665 |
| | ₱14,605,401,531 | ₱205,002,182 | ₱14,810,403,713 |
| Financial liabilities | | | |
| Accounts and other payables** | ₱3,256,518,941 | ₱– | ₱3,256,518,941 |
| Due to related parties | 358,060,626 | – | 358,060,626 |
| Short-term debt | 235,141,310 | – | 235,141,310 |
| Liability from purchased land | 67,200,000 | 63,782,533 | 130,982,533 |
| Long-term debt: | | | |
| Principal | 2,192,453,618 | 8,813,861,924 | 11,006,315,542 |
| Interest | – | 60,940,103 | 60,940,103 |
| Bonds payable: | | | |
| Principal | – | 6,000,000,000 | 6,000,000,000 |
| Interest | – | 82,746,077 | 82,746,077 |
| Lease liabilities | 15,434,671 | 12,297,519 | 27,732,190 |
| Security deposits | 61,343,009 | 769,131,246 | 830,474,255 |
| | ₱6,186,152,175 | ₱15,802,759,402 | ₱21,988,911,577 |

** Excluding receivables from employees amounting to ₱382.87 million as of December 31, 2022.*

***Excluding customers' advances and statutory liabilities amounting to ₱1,645.01 million and ₱93.16 million, respectively, as of December 31, 2022.*

*Interest rate risk*

Interest rate risk is the risk that changes in the market interest rates will reduce the Group's current or future earnings and/or economic value. The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rates or rates subject to repricing as it can cause a change in the amount of interest payments.

The following table sets out the carrying amount, by maturity, of the Group's long-term debt that are exposed to interest rate risk.

| | **Interest terms (p.a.)** | **Rate fixing period** | **<1 year** | **1 to 5 years** |
|---|---|---|---|---|
| **2023** | **6.2-10.3** | **Monthly; Annually** | **₱3,185,696,105** | **₱1,200,949,687** |
| 2022 | 6.2-10.3 | Monthly; Annually | ₱2,048,457,716 | ₱3,769,500,261 |

The following table demonstrates the sensitivity to reasonably possible changes in interest rates, with all variables held constant, of the Group's income before tax and equity (through the impact on floating rate borrowings).

| | **2023** | | 2022 | |
|---|---|---|---|---|
| | **Increase (decrease) in interest rates** | **Effect on profit before tax** | Increase (decrease) in interest rates | Effect on profit before tax |
| **Basis points** | **1.00%** | **(₱43,866,458)** | 0.33% | (₱19,199,261) |
| | **(1.00%)** | **43,866,458** | (0.33%) | 19,199,261 |

There is no other impact on the Group's total comprehensive income other than those already affecting the net income.

30. **Performance Obligations**

Information about the Group's performance obligations are summarized below:

*Real estate sales*
The Group entered into contracts to sell with one identified performance obligation, which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration. The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii) service lot and house, and (ii) condominium unit and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10%-30% of the contract price spread over a certain period (e.g., three months to four years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to five (5) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either an installment contract receivable or contract liability.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2023 and 2022 are as follows:

| | **2023** | 2022 |
|---|---|---|
| Within one year | **₱8,332,201,610** | ₱7,029,550,189 |
| More than one year | **1,007,398,598** | 298,170,841 |
| | **₱9,339,600,208** | ₱7,327,721,030 |

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three years and five years, respectively, from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

All of the Group's real estate sales from residential development are revenue from contracts with customers recognized over time. The Group's disaggregation of each sources of real estate sales are presented below:

| Project | Location | **2023** | 2022 | 2021 |
|---|---|---|---|---|
| Century City | Makati City | **₱246,715,607** | ₱1,019,209,007 | ₱957,678,288 |
| The Residences at Commonwealth | Quezon City | **604,996,499** | 893,414,343 | 916,120,606 |
| Azure Urban Resort Residences | Paranaque City | **151,358,493** | 218,846,457 | 256,102,227 |
| Acqua Private Residences | Mandaluyong City | **641,428,070** | 30,710,474 | 200,961,843 |
| The Resort Residences at Azure North | Pampanga City | **1,630,477,942** | 1,085,356,789 | 1,225,269,089 |

*Forward*

| Project | Location | **2023** | 2022 | 2021 |
|---|---|---|---|---|
| Batulao Landscapes | Batangas | **₱122,051,569** | ₱347,705,325 | ₱200,232,805 |
| Tanza Properties | Cavite | **262,593,722** | 476,306,136 | 839,990,130 |
| PHirst Park Homes | Cavite | **989,963,986** | – | – |
| PHirst Park Homes | Bulacan | **686,789,308** | 2,322,672,961 | 488,248,023 |
| PHirst Park Homes | Laguna | **818,468,217** | 1,109,375,197 | 1,142,833,971 |
| PHirst Park Homes | Pampanga City | **1,217,895,114** | 618,512,994 | 132,283,950 |
| PHirst Park Homes | Batangas | **1,686,955,964** | 1,109,375,196 | 1,304,680,721 |
| PHirst Park Homes | Tayabas Quezon | **511,183,939** | – | – |
| PHirst Park Homes | Bataan | **202,477,479** | – | – |
| PHirst Park Homes | Nueva Ecija | **81,456,254** | – | – |
| Editions Batulao | Batangas | **524,929,984** | – | – |
| Sights Bay | Laguna | **414,835,361** | – | – |
| | | **₱10,794,577,508** | ₱9,231,484,879 | ₱7,664,401,653 |

*Property management, hotels and other service fees*
The Group's disaggregation of each source of property management, hotels and other service fees are as follows:

| Location | **2023** | 2022 | 2021 |
|---|---|---|---|
| Within Metro Manila | **₱512,910,493** | ₱416,646,096 | ₱393,609,545 |
| Outside Metro Manila | **7,057,954** | 6,721,861 | 6,401,772 |
| | **₱519,968,447** | ₱423,367,957 | ₱400,011,317 |

## 31. Segment Information

Business segment information is reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources among operating segments. Accordingly, the segment information is reported based on the nature of service the Group is providing.

The segments where the Group operate follow:

- Real estate development - sale of high-end, upper middle-income and affordable residential lots and units and lease of residential developments under partnership agreements;
- Property and hotel management - facilities management of the residential and corporate developments of the Group and other third-party projects, including provision of technical and related consultancy services, rental of hotel rooms, food and beverage sales, and other service revenue;
- Leasing - lease of the Group's retail mall.

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

The financial information about the operations of these operating segments is summarized below:

| | For the Year Ended December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | **Real Estate Development** | **Property and Hotel Management** | **Leasing** | **Adjustments and Elimination** | **Consolidated** |
| **Revenue** | **₱10,958,124,787** | **₱519,968,447** | **₱1,293,121,807** | **(₱69,798,389)** | **₱12,701,416,652** |
| **Costs and expenses** | | | | | |
| Cost of real estate sales and services | **6,013,020,827** | **320,589,767** | **438,491,958** | **–** | **6,772,102,552** |
| General, administrative and selling expenses | **3,301,552,892** | **170,411,395** | **72,293,791** | **(193,525,394)** | **3,350,732,684** |
| **Operating income** | **1,643,551,068** | **28,967,285** | **782,336,058** | **123,727,005** | **2,578,581,416** |
| **Other income (expenses)** | | | | | |
| Interest and other income | **1,938,049,845** | **20,061,014** | **182,143,100** | **(1,313,561,903)** | **826,692,056** |
| Interest and other financing charges | **(797,588,377)** | **(1,333,104)** | **(419,663,190)** | **10,146,892** | **(1,208,437,779)** |
| **Income before income tax** | **2,784,012,536** | **47,695,195** | **544,815,968** | **(1,179,688,006)** | **2,196,835,693** |
| Provision for income tax | **238,660,963** | **21,379,188** | **149,828,429** | **(67,676,247)** | **342,192,333** |
| **Net income** | **₱2,545,351,573** | **₱26,316,007** | **₱394,987,539** | **(₱1,112,011,760)** | **₱1,854,643,360** |

| | As of December 31, 2023 | | | | |
|---|---|---|---|---|---|
| Segment assets | **₱67,905,556,416** | **₱1,399,531,499** | **₱18,802,886,214** | **(₱32,770,920,249)** | **₱55,337,053,880** |
| Deferred tax assets | **21,470,260** | **16,882,410** | **–** | **10,004,509** | **48,357,179** |
| **Total Assets** | **₱67,927,026,676** | **₱1,416,413,909** | **₱18,802,886,214** | **(₱32,760,915,740)** | **₱55,385,411,059** |
| Segment liabilities | **₱45,335,383,130** | **₱1,391,805,271** | **₱6,581,816,373** | **(₱20,686,672,603)** | **₱32,622,332,171** |
| Deferred tax liabilities | **1,542,158,531** | **–** | **925,354,916** | **(8,772,988)** | **2,458,740,459** |
| **Total Liabilities** | **₱46,877,541,661** | **₱1,391,805,271** | **₱7,507,171,289** | **(₱20,695,445,591)** | **₱35,081,072,630** |

| | For the Year Ended December 31, 2022 | | | | |
|---|---|---|---|---|---|
| | Real Estate Development | Property Management | Leasing | Adjustments and Elimination | Consolidated |
| Revenue | ₱9,383,717,315 | ₱423,367,957 | ₱1,362,474,800 | (₱42,913,837) | ₱11,126,646,235 |
| Costs and expenses | | | | | |
| Cost of real estate sales and services | 5,607,263,687 | 268,345,792 | 440,815,699 | – | 6,316,425,178 |
| General, administrative and selling expenses | 2,818,432,222 | 87,384,331 | 62,765,293 | (197,483,450) | 2,771,098,396 |
| Operating income | 958,021,406 | 67,637,834 | 858,893,808 | 154,569,613 | 2,039,122,661 |
| Other income (expenses) | | | | | |
| Interest and other income | 1,475,139,549 | 110 | 123,109,188 | (1,095,749,143) | 502,499,704 |
| Interest and other financing charges | (616,471,480) | (26,054) | (305,491,896) | 4,099,913 | (917,889,517) |
| Income before income tax | 1,816,689,475 | 67,611,890 | 676,511,100 | (937,079,616) | 1,623,732,849 |
| Provision for (benefit from) income tax | 22,644,048 | 18,266,478 | 179,497,975 | (1,434,731) | 218,973,770 |
| Net income | ₱1,794,045,427 | ₱49,345,412 | ₱497,013,125 | (₱935,644,885) | ₱1,404,759,079 |

| | As of December 31, 2022 | | | | |
|---|---|---|---|---|---|
| Segment assets | ₱61,637,813,735 | ₱309,294,327 | ₱18,793,326,549 | (₱26,842,538,681) | ₱53,897,895,930 |
| Deferred tax assets | 10,590,006 | 12,625,887 | – | 9,988,625 | 33,204,518 |
| Total Assets | ₱61,648,403,741 | ₱321,920,214 | ₱18,793,326,549 | (₱26,832,550,056) | ₱53,931,100,448 |
| Segment liabilities | ₱30,445,559,476 | ₱260,464,436 | ₱13,499,061,188 | (₱16,608,671,445) | ₱27,596,413,655 |
| Deferred tax liabilities | 1,580,595,697 | – | 902,645,971 | 58,903,251 | 2,542,144,919 |
| Total Liabilities | ₱32,026,155,173 | ₱260,464,436 | ₱14,401,707,159 | (₱16,549,768,194) | ₱30,138,558,574 |

| | For the Year Ended December 31, 2021 | | | | |
|---|---|---|---|---|---|
| | Real Estate Development | Property Management | Leasing | Adjustments and Elimination | Consolidated |
| Revenue | ₱7,844,517,712 | ₱400,011,317 | ₱1,200,366,601 | ₱– | ₱9,444,895,630 |
| Costs and expenses | | | | | |
| Cost of real estate sales and services | 4,808,420,850 | 272,728,398 | 352,043,445 | – | 5,433,192,693 |
| General, administrative and selling expenses | 2,433,141,793 | 85,234,957 | 242,058,512 | (67,530,194) | 2,692,905,068 |
| Operating income | 602,955,069 | 42,047,962 | 606,264,644 | 67,530,194 | 1,318,797,869 |
| Other income (expenses) | | | | | |
| Interest and other income | 777,312,014 | – | 237,125,618 | (379,237,142) | 635,200,490 |
| Interest and other financing charges | (573,977,733) | (13,908) | (320,600,434) | – | (894,592,075) |
| Income before income tax | 806,289,350 | 42,034,054 | 522,789,828 | (311,706,948) | 1,059,406,284 |
| Provision for income tax | (193,021,840) | 15,287,101 | (11,718,677) | (20,246,448) | (209,699,864) |
| Net income | ₱999,311,190 | ₱26,746,953 | ₱534,508,505 | (₱291,460,500) | ₱1,269,106,148 |
| Segment assets | ₱58,301,853,163 | ₱260,448,115 | ₱16,686,161,746 | (₱20,768,717,921) | ₱54,479,745,103 |
| Deferred tax assets | – | 15,317,377 | – | 11,447,068 | 26,764,445 |
| Total Assets | ₱58,301,853,163 | ₱275,765,492 | ₱16,686,161,746 | (₱20,757,270,853) | ₱54,506,509,548 |
| Segment liabilities | ₱30,158,319,381 | ₱216,275,707 | ₱10,447,703,676 | (₱11,314,360,361) | ₱29,507,938,403 |
| Deferred tax liabilities | 1,808,785,268 | 80,361 | 859,287,323 | (20,246,448) | 2,647,906,504 |
| Total Liabilities | ₱31,967,104,649 | ₱216,356,068 | ₱11,306,990,999 | (₱11,334,606,809) | ₱32,155,844,907 |

## 32. **Other Current and Noncurrent Liabilities**

Liabilities to Preferred Shareholders of a Subsidiary

The Group's liabilities to preferred shareholders of a subsidiary represent the liability portion of the proceeds from the sale of preferred shares of CALC. CALC's preferred shares are considered compound financial instruments which contain both liability and equity components. Since the preferred shares are non-redeemable and entitles the holder to a pro-rata share of assets upon liquidation, including twenty-eight (28) free nights to stay at the hotel, this financial instrument is classified as an equity instrument. However, the preferred shares establish a contractual right to a dividend [i.e., share in the net room rental revenue (NRRR)], thus, it contains a financial liability with respect to the share in the NRRR.

On June 17, 2015, CALC's preferred shares divided into Class A, Class B, Class C and Class D have been registered with SEC for public offering.

The preferred shares have the following features, rights, privileges and obligations which can be availed by the preferred shareholders upon full payment:

a. All classes of the preferred shares are non-voting.

b. Preferred shareholders are entitled to use and occupy, for twenty-eight (28) nights per year (the "Annual Usage Entitlement"), the rooms owned by CALC in Acqua 6 Tower of the Acqua Private Residences (upon its completion and only when such rooms are ready for occupancy), with the room class based on the class of preferred shares owned. Annual Usage Entitlements are non-cumulative.

c. The preferred shareholders shall be entitled to a share in Net Room Rental Revenue at the rate of 40% for all of the 152 rooms to be owned by CALC. The share of a preferred shareholder in the Net Room Rental Revenue shall be payable annually or subject to the terms and conditions of optional payment term extension program availed of by a subscriber. The share of a preferred shareholder in the Net Room Rental Revenue shall be calculated based on the attributable square meters ("SQM") corresponding to the class of preferred shares held by such preferred shareholder for every 13 preferred shares held.

d. Net Room Rental Revenue means total revenue from rentals of all rooms less total room cost of sales. The corresponding attributable SQM of each class of shares are as follows:

| **Class of Preferred Shares** | **Corresponding Attributable SQM** |
|---|---|
| Preferred A shares | 8.00 |
| Preferred B shares | 11.75 |
| Preferred C shares | 19.00 |
| Preferred D shares | 21.75 |

e. The preferred shareholders shall no longer participate in any dividend declaration of the Group.

The preferred shareholders shall regularly and diligently pay the fees, contributions, charges and other dues, including but not limited to the Annual Management Fee, Annual Operating Budget, Furniture, Fittings and Equipment Reserve, pertaining to the maintenance and use of the rooms to be owned by the Group.

For preferred shareholders who have not fully paid the subscription price of their preferred shares upon turn-over, the annual NRRR shall be applied quarterly as credits towards the investor's outstanding balance until the investor's outstanding balance is fully paid up.

Total liabilities to preferred shareholders of CALC presented under financial statement caption "Other noncurrent liabilities" amounted to ₱948.32 million and ₱951.92 million as of December 31, 2023 and 2022, respectively.

Movements on the liabilities on preferred shares subscriptions are as follows:

| | **2023** | 2022 |
|---|---|---|
| Balance at January 1 | **₱951,925,494** | ₱1,037,846,482 |
| Collections | **10,280,479** | 22,321,078 |
| Interest Income (Note 24) | **(11,342,261)** | – |
| Returns of deposits | **(2,546,502)** | (50,324,273) |
| Forfeited deposits | **–** | (3,737,399) |
| Transfer to preferred shares (equity portion) | **–** | (54,180,394) |
| Balance at December 31 | **₱948,317,210** | ₱951,925,494 |

Movements of shares subscriptions and cancellation per Preferred Class are summarized in the table below.

| | Number of Shares | | | | |
|---|---|---|---|---|---|
| Class of shares | Preferred A shares | Preferred B shares | Preferred C shares | Preferred D shares | Total |
| Authorized shares | 6,344 | 520 | 520 | 520 | 7,904 |
| Par value in ₱ | 10 | 100 | 1,000 | 10,000 | |
| Subscribe shares at December 31, 2020 | 6,149 | 481 | 520 | 247 | 7,397 |
| Subscription during 2021 | – | – | – | – | – |
| Cancellation of shares | (520) | (52) | (39) | (104) | (715) |
| Number of shares at December 31, 2021 | 5,629 | 429 | 481 | 143 | 6,682 |
| Subscription during 2022 | – | – | – | – | – |
| Cancellation of shares | (169) | (39) | (39) | – | (247) |
| Number of shares at December 31, 2022 | 5,460 | 390 | 442 | 143 | 6,435 |
| Subscription during 2023 | – | – | – | – | – |
| Cancellation of shares | (13) | – | – | – | (13) |
| Number of shares at December 31, 2023 | 5,447 | 390 | 442 | 143 | 6,422 |

Advance Deposits and Refundable Deposits

Refundable deposits pertain to utilities and meter deposits, and security deposits collected from tenants which are refundable at the end of the lease contracts. The Group received refundable deposits and security deposits classified as "Other current liabilities" amounting to ₱59.85 million and ₱61.34 million and "Other noncurrent liabilities" amounting to ₱645.44 million and ₱769.13 million as of December 31, 2023 and 2022, respectively (see Note 28).

Deferred Lease Income

Deferred lease income is amortized over the lease term on a straight-line basis and which amortization is recorded as part of "Leasing revenue" in the statements of comprehensive income. The carrying value of the deferred lease income presented under financial statement caption "Other current liabilities" amounted to ₱14.00 million and ₱6.81 million and "Other noncurrent liabilities" amounted to ₱98.02 million and ₱68.15 million as of December 31, 2023 and 2022, respectively (see Note 28).

## 33. **Contingencies**

The Group is contingently liable for lawsuits or claims filed by third parties (substantially civil cases that are either pending decision by the courts or are under negotiation, the outcomes of which are not presently determinable). In the opinion of management and its legal counsels, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of these lawsuits, claims or assessments. No provisions were recognized in 2023, 2022 and 2021 with respect to the foregoing matters.

## 34. Notes to Consolidated Statements of Cash Flows

Below are the noncash transactions not included in the adjustments for income before tax in the consolidated statements of cash flows for the years ended December 31, 2023, 2022 and 2021:

a. Write off of due from related parties amounting to ₱12.83 million in 2023 (see Note 21 and16)

b. Transfer of property plant and equipment to real estate property amounting to ₱1,152.68 million in 2023 (see Notes 7 and Note 12)

c. Deposit for purchase land amounting to ₱297.68 million and ₱30.16 million converted to inventories in 2023 and 2023 (see Notes 7 and 9).

d. Amortization of deferred financing costs amounting to ₱68.56 million, ₱113.99 million and ₱89.54 million in 2023, 2022 and 2021, respectively (see Notes 17 and 19).

e. Additions to right-of-use assets and increase in lease liabilities amounting ₱27.76 million, nil and ₱76.29 million in 2023, 2022 and 2021, respectively (see Note 12).

f. Transfer from investment property to real estate property amounting to ₱1,039.60 million in 2022 (see Notes 7 and 11).

g. Transfer from investment property to property and equipment amounting to ₱556.82 million in 2022 (see Notes 11 and 12).

h. Reclassification of Deposit for Preferred Shares Subscription to non-controlling interest amounting to ₱54.18 million in 2022 (see Notes 21 and 33).

i. Advances to landowners amounting to ₱419.23 million converted to inventories in 2022 (see Notes 7 and 13).

*Changes in liabilities and other accounts arising from financing activities*

| | 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Beginning of the year** | **Cash flows** | **Deferred financing cost application** | **Amortization of discount** | **Dividend declaration** | **Other movements** | **End of the year** |
| **Short-term and long-term debts** | **₱11,241,456,852** | **(₱96,678,085)** | **(₱27,140,500)** | **₱26,259,836** | **₱–** | **₱–** | **₱ 11,143,898,103** |
| **Bonds payable** | **5,917,253,923** | **3,000,000,000** | **(82,114,920)** | **42,298,101** | **–** | **–** | **8,877,437,104** |
| **Non-controlling interest** | **2,312,344,491** | **(2,000,050,000)** | **–** | **–** | **–** | **(258,114,097)** | **54,180,394** |
| **Due to related parties** | **358,060,626** | **26,036,467** | **–** | **–** | **–** | **–** | **384,097,093** |
| **Dividends payable** | **52,980,640** | **(291,624,159)** | **–** | **–** | **241,241,410** | **(2,597,891)** | **–** |
| **Lease liabilities** | **27,732,190** | **(15,407,317)** | **–** | **–** | **–** | **21,884,433** | **34,209,306** |
| **Liabilities to preferred shareholders of a subsidiary** | **951,925,495** | **7,733,977** | **–** | **–** | **–** | **(11,342,261)** | **948,317,211** |
| **Redemption of preferred shares** | **–** | **(3,000,000,000)** | **–** | **–** | **–** | **–** | **(3,000,000,000)** |
| **Deferred financing costs** | **–** | **(109,255,420)** | **109,255,420** | **–** | **–** | **–** | **–** |
| | **₱20,861,754,217** | **(₱2,479,244,537)** | **₱–** | **₱68,557,937** | **₱241,241,410** | **(₱250,169,816)** | **₱18,442,139,211** |

| | 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Beginning of the year | Cash flows | Deferred financing cost application | Amortization of discount | Dividend declaration | Other movements | End of the year |
| Short-term and long-term debts | ₱12,306,967,433 | (₱1,092,637,317) | (₱46,897,795) | ₱74,024,531 | ₱– | ₱– | ₱11,241,456,852 |
| Bonds payable | 5,947,195,429 | – | (69,907,011) | 39,965,505 | – | – | 5,917,253,923 |
| Non-controlling interest | 1,630,172,289 | 120,000,000 | – | – | – | 562,172,202 | 2,312,344,491 |
| Due to related parties | 317,358,734 | 40,701,892 | – | – | – | – | 358,060,626 |
| Dividends payable | 52,980,640 | (201,531,000) | – | – | 201,531,000 | – | 52,980,640 |
| Lease liabilities | 57,139,963 | (29,407,773) | – | – | – | – | 27,732,190 |
| Liabilities to preferred shareholders of a subsidiary | 1,036,353,927 | (30,248,038) | – | – | – | (54,180,395) | 951,925,494 |
| Deferred financing costs | – | (116,804,806) | 116,804,806 | – | – | – | – |
| | ₱21,348,168,415 | (₱1,309,927,042) | ₱– | ₱113,990,036 | ₱201,531,000 | ₱507,991,807 | ₱20,861,754,216 |

| | 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Beginning of the year | Cash flows | Acquisition of NCI | Amortization of discount | Dividend declaration | Other movements | End of the year |
| Short-term and long-term debts | ₱15,668,124,400 | (₱3,386,174,059) | (₱22,743,202) | ₱47,760,295 | ₱– | ₱– | ₱12,306,967,434 |
| Bonds payable | 3,084,766,287 | 2,880,890,000 | (60,242,941) | 41,782,082 | – | – | 5,947,195,428 |
| Non-controlling interest | 1,271,816,572 | 40,000,000 | – | – | – | 318,355,718 | 1,630,172,290 |
| Due to related parties | 270,006,022 | 47,352,712 | – | – | – | – | 317,358,734 |
| Dividends payable | 215,064,276 | (327,440,181) | – | – | 165,356,546 | – | 52,980,641 |
| Lease liabilities | 4,525,606 | (23,678,500) | – | – | – | 76,292,857 | 57,139,963 |
| Deferred financing costs | – | (82,986,143) | 82,986,143 | – | – | | – |
| | ₱20,514,303,163 | (₱852,036,171) | ₱– | ₱89,542,377 | ₱165,356,546 | ₱394,648,575 | ₱20,311,814,490 |

## 35. Events After the Reporting Date

*Public Offering of Preferred Shares*
On January 5, 2023, SEC approved the Group's application for the Primary Offer of up to 30,000,000 Series B Preferred Shares with an Oversubscription Option of up to 20,000,000 Series B Preferred Shares (the "Offer Shares") at an offer price of One Hundred Pesos (Php100.00) per share.

On February 22, 2024, the Group listed and traded on the Main Board of The Philippine Stock Exchange, Inc. it's 20,000,000 perpetual, cumulative, non-participating, non-voting, redeemable, non-convertible Series B Preferred Shares with an initial Dividend Rate of 7.5432% per annum at an Offer Price of Php100.00 per share.

SyCip Gorres Velayo & Co.
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Philippines

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**INDEPENDENT AUDITOR'S REPORT**
**ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
Century Properties Group Inc.
35F Century Diamond Tower, Century City
Kalayaan Ave. cor Salamanca St.
Poblacion, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Century Properties Group Inc. and its subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, included in this Form 17-A, and have issued our report thereon dated April 4, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements.

SYCIP GORRES VELAYO & CO.

Ma. Emilita L. Villanueva

Ma. Emilita L. Villanueva
Partner
CPA Certificate No. 95198
Tax Identification No. 176-158-478
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-141-2021, November 10, 2021, valid until November 9, 2024
PTR No. 10082036, January 6, 2024, Makati City

April 4, 2024

A member firm of Ernst & Young Global Limited

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Building a better working world

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**INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors
Century Properties Group Inc.
35/F Century Diamond Tower, Century City
Kalayaan Ave. cor Salamanca St.
Poblacion, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Century Properties Group Inc. and its subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 4, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the SEC, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Ma. Emilita L. Villanueva

Ma. Emilita L. Villanueva
Partner
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**INDEPENDENT AUDITOR'S REPORT**
**ON RECONCILIATION OF RETAINED EARNINGS**
**AVAILABLE FOR DIVIDEND DECLARATION**

The Stockholders and the Board of Directors
Century Properties Group Inc.
35F Century Diamond Tower, Century City
Kalayaan Ave. cor Salamanca St.
Poblacion, Makati City

We have audited in accordance with Philippine Standard on Auditing, the consolidated financial statements of Century Properties Group Inc. and its subsidiaries (the Group) as at December 31, 2023 and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated April 4, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements of the Group taken as whole. The Group's schedule of reconciliation of retained earnings available for dividend declaration is the responsibility of the Group's management. The schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements.

SYCIP GORRES VELAYO & CO.

Ma. Emilita L. Villanueva

Ma. Emilita L. Villanueva
Partner
CPA Certificate No. 95198
Tax Identification No. 176-158-478
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-141-2021, November 10, 2021, valid until November 9, 2024
PTR No. 10082036, January 6, 2024, Makati City

April 4, 2024

A member firm of Ernst & Young Global Limited

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**SCHEDULE A**

## CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES
## SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS
## DECEMBER 31, 2023

| | Number of shares or principal amount of bonds and notes | Amount shown in the balance sheet | Income received or accrued |
|---|---|---|---|
| Cash and cash equivalents | ₱– | ₱3,543,351,959 | ₱141,121,987 |
| Short-term investments | | 18,258,017 | 4,243,625 |
| Receivables | | | |
| Trade receivables: | | | |
| ICR | – | 10,513,080,456 | 93,748,890 |
| Leasing receivables | – | 433,567,822 | – |
| Management fee | – | 191,548,312 | – |
| Advances to condominium corporations | – | 113,681,294 | – |
| Advances to customers | – | 130,572,262 | – |
| Other receivables | – | 202,299,203 | – |
| Due from related parties | – | 1,578,677,372 | – |
| Rental deposit | – | 94,247,911 | – |
| | **₱–** | **₱16,819,284,608** | **₱239,114,502** |

**SCHEDULE B**

## CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

## SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES) DECEMBER 31, 2023

| Name and Designation of debtor | Balance at beginning of period | Additions | Amounts collected | Current | Not Current | Balance at the end of the period |
|---|---|---|---|---|---|---|
| Officers, Directors and Employees | ₱8,490,564 | ₱1,133,899 | (₱493,971) | ₱9,130,492 | ₱– | ₱9,130,492 |

**SCHEDULE C**

## CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

## SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
## DECEMBER 31, 2023

| | Receivable Balance | Payable Balance | Current Portion |
|---|---|---|---|
| CPGI | **₱10,065,843,663** | **(₱286,846,959)** | **₱9,778,996,704** |
| CLC | **919,775,363** | **(9,280,293,926)** | **(8,360,518,563)** |
| PPHI | **810,621,487** | **(10,126,762)** | **800,494,725** |
| CCDC | **5,708,043,800** | **(6,466,358,204)** | **(758,314,404)** |
| CCC | **50,000** | **(1,232,573,042)** | **(1,232,523,042)** |
| CPMI | **49,347,739** | **(23,597,970)** | **25,749,769** |
| CDLC | **–** | **(253,885,189)** | **(253,885,189)** |
| **Total Eliminated Receivables/Payables** | **₱ 17,553,682,052** | **(₱17,553,682,052)** | **₱–** |

**SCHEDULE D**

## CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES
## SUPPLEMENTARY SCHEDULE OF INTANGIBLE ASSETS - OTHER ASSETS
## DECEMBER 31, 2023

| Description | Beginning Balance | Additions at cost | Charged to cost and expenses | Charged to other accounts | Other changes additions (deductions) | Ending Balance |
|---|---|---|---|---|---|---|
| Trademark | ₱3,024,289 | ₱– | ₱– | ₱– | ₱– | ₱3,024,289 |
| Software Cost | 39,317,744 | 12,687,025 | (11,717,887) | – | – | 40,286,882 |
| | ₱42,342,033 | ₱12,687,025 | (₱11,717,887) | ₱– | ₱– | ₱43,311,171 |

**SCHEDULE E**

## CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES
## SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT AND BONDS PAYABLE DECEMBER 31, 2023

**Long-term Debt and Bonds Payable**

| Title of Issue and type of obligation | Amount authorized by indenture | Amount shown under caption "Current Liabilities" in related balance sheet | Amount shown under caption "Noncurrent Liabilities" in related balance sheet |
|---|---|---|---|
| Term Loan | ₱9,045,691,229 | ₱3,131,607,081 | ₱5,914,084,148 |
| Payable under CTS financing | 1,306,542,403 | 720,290,023 | 586,252,380 |
| Bonds payable | 8,877,437,104 | 3,000,000,000 | 5,877,437,104 |
| | ₱19,229,670,736 | ₱6,851,897,104 | ₱12,377,773,632 |

**SCHEDULE F**

## CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES
## SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
## DECEMBER 31, 2023

| Indebtedness to related parties (Long-term loans from Related Companies) | | |
|---|---|---|
| Name of related party | Balance at beginning of period | Balance at end of period |
| N/A | | |

**SCHEDULE G**

## CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

## SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS
## DECEMBER 31, 2023

| Guarantees of Securities of Other Issuers | | | | |
|---|---|---|---|---|
| Name of issuing entity of securities guaranteed by the company for which this statement is filed | Title of issue of each class of securities guaranteed | Total amount guaranteed and outstanding | Amount owned by person for which statement is file | Nature of guarantee |
| N/A | | | | |

**SCHEDULE H**

# CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES
## SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK
## DECEMBER 31, 2023

| | Capital Stock | | | | | |
|---|---|---|---|---|---|---|
| Title of Issue | Number of shares authorized | Number of shares issued and outstanding as shown under related balance sheet caption | Number of shares reserved for options warrants, conversion and other rights | Number of shares held by related parties | Directors, officers and employees | Others |
| Common Stock* | 15,000,000,000 | 11,599,600,690 | – | – | 9 | – |

**All nine (9) directors have one (1) nominal common shares issued*

**SCHEDULE I**

## CENTURY PROPERTIES GROUP INC.

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION**
**DECEMBER 31, 2023**

| | | |
|---|---|---|
| Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning | | **₱210,150,500** |
| **Add: Net income (loss) actually earned/realized during the period** | | |
| Net income (loss) during the period closed to Retained Earnings | **₱264,942,863** | |
| Less: Non-actual/unrealized income net of tax | | |
| Equity in net income of associate/joint venture | | |
| Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents) | | |
| Unrealized actuarial gain | | |
| Fair value adjustment (M2M gains) | | |
| Fair value adjustment of Investment Property resulting to gain | | |
| Adjustment due to deviation from PFRS/GAAP-gain | | |
| Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS | | |
| **Sub-total** | | |
| Add: Non-actual/Unrealized Losses | | |
| Depreciation on revaluation increment (after tax) | | |
| Adjustment due to deviation from PFRS/GAAP – loss | | |
| Loss on fair value adjustment of investment property (after tax) | | |
| **Net Income Actual/Realized** | | **264,942,863** |
| **Add(Less):** | | |
| Dividend declarations during the period | **(241,241,407)** | |
| Appropriations of Retained Earnings during the period | | |
| Reversals of appropriations | | |
| Effects of prior period adjustments | | |
| Treasury shares (redeemable pref. shares) | **(3,000,000,000)** | **(3,241,241,407)** |
| **TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND** | | **(₱2,766,148,044)** |

**SCHEDULE J**

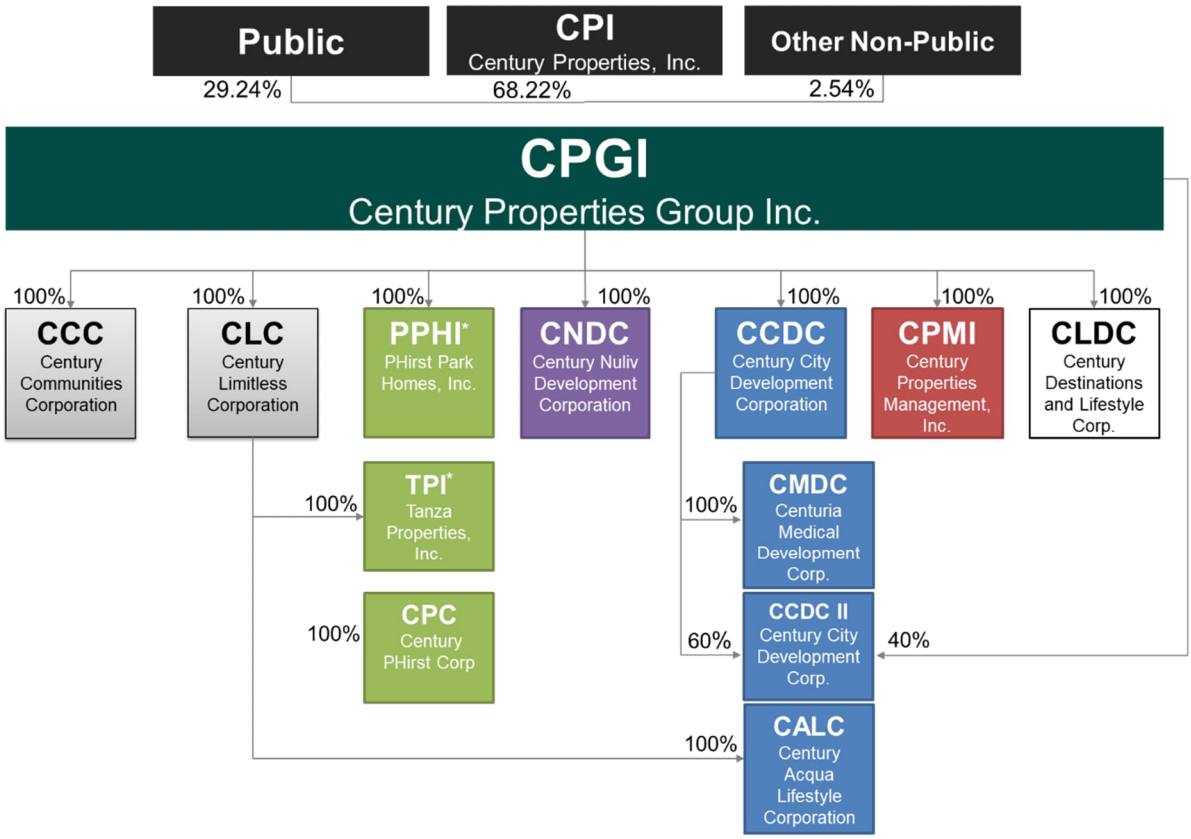
# CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES
# SCHEDULE OF FINANCIAL RATIOS
# DECEMBER 31, 2023

| Financial ratios | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Current/Liquidity Ratios** | | |
| Current Assets | 37,948,003,525 | 36,103,684,078 |
| Current Liabilities | 18,311,592,815 | 10,768,820,128 |
| **Current Ratios** | **2.1** | **3.4** |
| | | |
| Current Assets | 37,948,003,525 | 36,103,684,078 |
| Inventory | 18,832,235,203 | 17,723,397,564 |
| Quick Assets | 19,115,768,322 | 18,380,286,514 |
| Current Liabilities | 18,311,592,815 | 10,768,820,128 |
| **Quick Ratios** | **1.0** | **1.7** |
| | | |
| **Liabilities and Debt Ratios** | | |
| Short-term debt | 791,664,471 | 235,141,310 |
| Long-term debt - Current | 3,851,897,104 | 2,192,453,618 |
| Long-term debt - non-current | 6,500,336,528 | 8,813,861,924 |
| Bonds payable | 8,877,437,104 | 5,917,253,923 |
| **Debt** | **20,021,335,207** | **17,158,710,775** |
| **Equity** | **20,304,338,429** | **23,792,541,874** |
| **Debt-to-Equity** | **1.0** | **0.7** |
| | | |
| Debt | 20,021,335,207 | 17,158,710,775 |
| Cash and Cash Equivalents | 3,543,351,959 | 4,130,877,582 |
| **Net Debt** | **16,477,983,248** | **13,027,833,193** |
| **Equity** | **20,304,338,429** | **23,792,541,874** |
| **Net Debt-to-Equity** | **0.8** | **0.5** |
| | | |
| Debt | 20,021,335,207 | 17,158,710,775 |
| EBITDA | 3,367,875,391 | 2,475,710,468 |
| **Debt-to-EBITDA** | **5.9** | **6.9** |
| | | |
| Income before Income Tax | 2,196,835,693 | 1,623,732,841 |
| Interest expense | 1,089,163,808 | 795,984,164 |
| Depreciation and amortization | 81,875,890 | 55,993,463 |
| **EBITDA** | **3,367,875,391** | **2,475,710,468** |
| | | |
| **Asset to Equity Ratios** | | |
| Total Assets | 55,385,411,059 | 53,931,100,449 |
| Total Equity | 20,304,338,429 | 23,792,541,874 |
| **Asset to Equity Ratio** | **2.7** | **2.3** |
| | | |
| **Liabilities to Equity Ratios** | | |
| Total Liabilities | 35,081,072,630 | 30,138,558,574 |
| Total Equity | 20,304,338,429 | 23,792,541,874 |
| **Liabilities to Equity Ratio** | **1.7** | **1.3** |

| Financial ratios | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Profitability ratios** | | |
| Revenue | 12,701,416,652 | 11,126,646,235 |
| Gross Profit | 5,929,314,100 | 4,810,221,057 |
| **Gross Profit Ratio** | **47%** | **43%** |
| | | |
| Net Income Attributable to Equity holders of the Parent Company | 1,321,395,610 | 1,321,395,610 |
| Revenue | 12,701,416,652 | 11,126,646,235 |
| **Net Income Margin** | **10.40%** | **8.10%** |
| | | |
| **Total Net Income after tax** | **1,854,643,360** | **1,404,759,079** |
| Total Asset CY | 55,385,411,059 | 53,931,100,449 |
| Total Asset PY | 53,931,100,448 | 54,506,509,548 |
| **Average total asset** | **54,658,255,754** | **54,218,804,999** |
| **Return on Asset** | **3.4%** | **2.6%** |
| | | |
| **Total Net Income after tax** | **1,854,643,3660** | **1,404,759,079** |
| Total Equity CY | 20,304,338,429 | 23,792,541,874 |
| Total Equity PY | 23,792,541,874 | 22,350,664,641 |
| **Average total equity** | **22,048,440,152** | **23,071,603,258** |
| **Return on Equity** | **8.4%** | **6.1%** |
| | | |
| Net Income | 1,854,643,3660 | 1,404,759,079 |
| Revenue | 12,701,416,652 | 11,126,646,235 |
| **Net Income Margin** | **14.6%** | **12.6%** |

**SCHEDULE K**

**CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**
**MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-SUBSIDIARIES**
**DECEMBER 31, 2023**




**Century Properties Group Inc. (CPGI)** – incorporated in May 6, 1975, CPGI is the listed Company of CPI with property development corporations as subsidiaries.

**CPGI Subsidiaries**
**Century City Development Corporation (CCDC)** – incorporated in 2006, is focused on developing mixed-use communities that contain residences, office and retail properties. CCDC is currently developing Century City, a 3.4 hectare mixed-use development along Kalayaan Avenue, Makati City. CCDC has fourteen local subsidiaries.

**Milano Development Corporation (MDC) & Centuria Medical Development Corporation (CMDC) –** is a wholly owned subsidiary of CCDC. Affiliated company under CCDC includes CCDC II which is 60% owned by CCDC and 40% owned by CPGI.

**Century Communities Corporation** – incorporated in 1994, is focused on horizontal house and lot developments. From the conceptualization to the sellout of a project, CCC provides experienced specialists who develop and execute the right strategy to successfully market a

project. CCC is currently developing Canyon Ranch, a 25-hec house and lot development located in Carmona, Cavite. 100% owned by CPGI.

**Century Limitless Corporation (CLC)** – incorporated in 2008, is Century's brand category that focuses on developing high-quality, affordable residential projects. Projects under CLC caters to first-time home buyers, start-up families and investors seeking safe, secure and convenient homes. It has one internal branch office in Singapore namely CLC Singapore. CLC is 100%owned by CPGI.

**Phirst Park Homes, Inc. (PPHI)** – incorporated in 2018, is the new First-Home brand of PHirst Park Homes Incorporated. It focuses in developing affordable horizontal house and lot development, it aims to promote a balanced life that enhances one's way of living and overall value where they and their families can thrive in a safe and secured environment. PPHI is 100%owned by CPGI.

**Century Nuliv Development Corporation (CNDC)** –incorporated in 2020, is Century's newest brand catergory which will focus on building townhouses and other low-rise structures while focusing on sustainability, health and wellness. Projects under CNDC offers homes which come in a range of choices: upscale and premium town villas, homes and enclaves. CNDC is 100% owned by CPGI.

**SCHEDULE L**

# CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES
## SCHEDULE OF BONDS PROCEEDS
## DECEMBER 31, 2023

### ₱3.0 BILLION BONDS DUE ON 2024

| Use of Proceeds | ESTIMATED PER PROSPECTUS | ACTUAL |
|---|---|---|
| **Estimated proceeds from the sale of Bonds** | **₱3,000,000,000** | **₱3,000,000,000** |
| Less: Upfront fees | | |
| SEC registration and legal research fee | 1,325,625 | 1,325,625 |
| Underwriting fees | 22,500,000 | 22,500,000 |
| DST | 22,500,000 | 22,500,000 |
| Estimated Professional and Agency Fees | 9,343,100 | 14,306,538 |
| Listing application fees | 100,000 | 100,000 |
| Other Miscellaneous expense | 50,000 | 44,837 |
| **Subtotal** | **₱55,818,725** | **₱60,777,000** |
| **Net proceeds** | **₱2,944,181,275** | **₱2,939,223,000** |

**Balance of Proceeds as of December 31, 2023** **NIL**

Century Properties Group, Inc. raised from the Bonds gross proceeds of ₱3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱2.94 billion were used to partially repay existing obligations of the Company, and partially finance capital expenditures of vertical project development and other corporate fund requirements.

### ₱3.0 BILLION BONDS DUE ON 2027

| Use of Proceeds | ESTIMATED PER PROSPECTUS | ACTUAL |
|---|---|---|
| **Estimated proceeds from the sale of Bonds** | **₱3,000,000,000** | **₱3,000,000,000** |
| Less: Upfront fees | | |
| SEC registration and legal research fee | 1,325,625 | 1,325,625 |
| Underwriting fees | 22,500,000 | 22,500,000 |
| DST | 22,500,000 | 22,500,000 |
| Estimated Professional and Agency Fees | 9,343,100 | 23,436,549 |
| Listing application fees | 100,000 | 100,000 |
| Other Miscellaneous expense | 50,000 | 44,837 |
| **Subtotal** | **₱55,818,725** | **₱69,907,011** |
| **Net proceeds** | **₱2,944,181,275** | **₱2,930,092,989** |

**Balance of Proceeds as of December 31, 2023** **NIL**

Century Properties Group, Inc. raised from the Bonds gross proceeds of ₱3.00 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱2.93 billion were used to partially repay existing obligations of the Company, and partially finance capital expenditures of vertical project development and other corporate fund requirements.

## CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

**SCHEDULE OF BONDS PROCEEDS**
**December 31, 2023**

**₱3.0 BILLION BONDS**

- ₱0.7 billion due on 2027
- ₱1.3 billion due on 2028
- ₱1.0 billion due on 2030

| Use of Proceeds | ESTIMATED PER PROSPECTUS | ACTUAL |
|---|---|---|
| **Estimated proceeds from the sale of Bonds** | **₱3,000,000,000** | **₱3,000,000,000** |
| Less: Upfront fees | | |
| SEC registration and legal research fee | 757,530 | 757,530 |
| Underwriting fees | 22,500,000 | 22,500,000 |
| DST | 22,500,000 | 22,500,000 |
| Estimated Professional and Agency Fees | 9,683,000 | 7,526,920 |
| Listing application fees | 300,000 | 300,000 |
| Other Miscellaneous expense | 50,000 | 50,000 |
| **Subtotal** | **₱55,790,530** | **₱53,634,450** |
| **Net proceeds** | **₱2,944,209,470** | **₱2,946,365,550** |

**Balance of Proceeds as of December 31, 2023** **NIL**